

# Doing Business 2011

Netherlands

**Making  
a Difference for  
Entrepreneurs**

COMPARING BUSINESS REGULATION IN 183 ECONOMIES



© 2010 The International Bank for Reconstruction and Development / The World Bank  
1818 H Street NW  
Washington, DC 20433  
Telephone 202-473-1000  
Internet [www.worldbank.org](http://www.worldbank.org)

All rights reserved.  
1 2 3 4 08 07 06 05

A copublication of The World Bank and the International Finance Corporation.

This volume is a product of the staff of the World Bank Group. The findings, interpretations and conclusions expressed in this volume do not necessarily reflect the views of the Executive Directors of the World Bank or the governments they represent. The World Bank does not guarantee the accuracy of the data included in this work.

### **Rights and Permissions**

The material in this publication is copyrighted. Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. The World Bank encourages dissemination of its work and will normally grant permission to reproduce portions of the work promptly.

For permission to photocopy or reprint any part of this work, please send a request with complete information to the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, USA; telephone 978-750-8400; fax 978-750-4470; Internet [www.copyright.com](http://www.copyright.com).

All other queries on rights and licenses, including subsidiary rights, should be addressed to the Office of the Publisher, The World Bank, 1818 H Street NW, Washington, DC 20433, USA; fax 202-522-2422; e-mail [pubrights@worldbank.org](mailto:pubrights@worldbank.org).

Additional copies of *Doing Business 2011: Making a Difference for Entrepreneurs*, *Doing Business 2010: Reforming through Difficult Times*, *Doing Business 2009*, *Doing Business 2008*, *Doing Business 2007: How to Reform*, *Doing Business in 2006: Creating Jobs*, *Doing Business in 2005: Removing Obstacles to Growth* and *Doing Business in 2004: Understanding Regulations* may be purchased at [www.doingbusiness.org](http://www.doingbusiness.org).

ISBN: 978-0-8213-7960-8  
E-ISBN: 978-0-8213-8630-9  
DOI: 10.1596/978-0-8213-7960-8  
ISSN: 1729-2638

Library of Congress Cataloging-in-Publication data has been applied for.  
Printed in the United States

### **Current features**

**News on the *Doing Business* project**

<http://www.doingbusiness.org>

### **Rankings**

**How economies rank-from 1 to 183**

<http://www.doingbusiness.org/rankings/>

### **Reformers**

**Short summaries of DB2011 reforms, lists of reformers since DB2004 and a ranking simulation tool**

<http://www.doingbusiness.org/reforms/>

### **Historical data**

**Customized data sets since DB2004**

<http://www.doingbusiness.org/custom-query/>

### **Methodology and research**

**The methodologies and research papers underlying *Doing Business***

<http://www.doingbusiness.org/Methodology/>

### **Download reports**

**Access to *Doing Business* reports as well as subnational and regional reports, reform case studies and customized country and regional profiles**

<http://www.doingbusiness.org/reports/>

### **Subnational and regional projects**

**Differences in business regulations at the subnational and regional level**

<http://www.doingbusiness.org/subnational-reports/>

### **Law Library**

**Online collection of business laws and regulations relating to business and gender issues**

<http://www.doingbusiness.org/law-library/>

<http://wbl.worldbank.org/>

### **Local partners**

**More than 8,200 specialists in 183 economies who participate in *Doing Business***

<http://www.doingbusiness.org/Local-Partners/Doing-Business/>

### **Business Planet**

**Interactive map on the ease of doing business**

<http://rru.worldbank.org/businessplanet>

# Contents

Introduction  
and Aggregate Rankings

5 - Year Measure of  
Cumulative Change

Starting a Business

Dealing with  
Construction Permits

Registering Property

Getting Credit

Protecting Investors

Paying Taxes

Trading Across Borders

Enforcing Contracts

Closing a Business

Doing Business 2011  
Business Reforms

*Doing Business 2011: Making a Difference for Entrepreneurs* is the eighth in a series of annual reports investigating regulations that enhance business activity and those that constrain it. *Doing Business* presents quantitative indicators on business regulations and the protection of property rights that can be compared across 183 economies, from Afghanistan to Zimbabwe, over time.

A set of regulations affecting 9 stages of a business's life are measured: starting a business, dealing with construction permits, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business. Data in *Doing Business 2011* are current as of June 1, 2010\*. The indicators are used to analyze economic outcomes and identify what reforms have worked, where, and why.

The Doing Business methodology has limitations. Other areas important to business such as an economy's proximity to large markets, the quality of its infrastructure services (other than those related to trading across borders), the security of property from theft and looting, the transparency of government procurement, macroeconomic conditions or the underlying strength of institutions, are not studied directly by Doing Business. To make the data comparable across economies, the indicators refer to a specific type of business, generally a local limited liability company operating in the largest business city. Because standard assumptions are used in the data collection, comparisons and benchmarks are valid across economies. The data not only highlight the extent of obstacles to doing business; they also help identify the source of those obstacles, supporting policymakers in designing reform.

The data set covers 183 economies: 46 in Sub-Saharan Africa, 32 in Latin America and the Caribbean, 25 in Eastern Europe and Central Asia, 24 in East Asia and Pacific, 18 in the Middle East and North Africa and 8 in South Asia, as well as 30 OECD high-income economies.

The following pages present the summary Doing Business indicators for Netherlands. The data used for this economy profile come from the Doing Business database and are summarized in graphs. These graphs allow a comparison of the economies in each region not only with one another but also with the "good practice" economy for each indicator.

The good-practice economies are identified by their position in each indicator as well as their overall ranking and by their capacity to provide good examples of business regulation to other countries. These good-practice economies do not necessarily rank number 1 in the topic or indicator, but they are in the top 10.

More information is available in the full report. *Doing Business 2011: Making a Difference for Entrepreneurs* presents the indicators, analyzes their relationship with economic outcomes and recommends reforms. The data, along with information on ordering the report, are available on the Doing Business website ([www.doingbusiness.org](http://www.doingbusiness.org)).

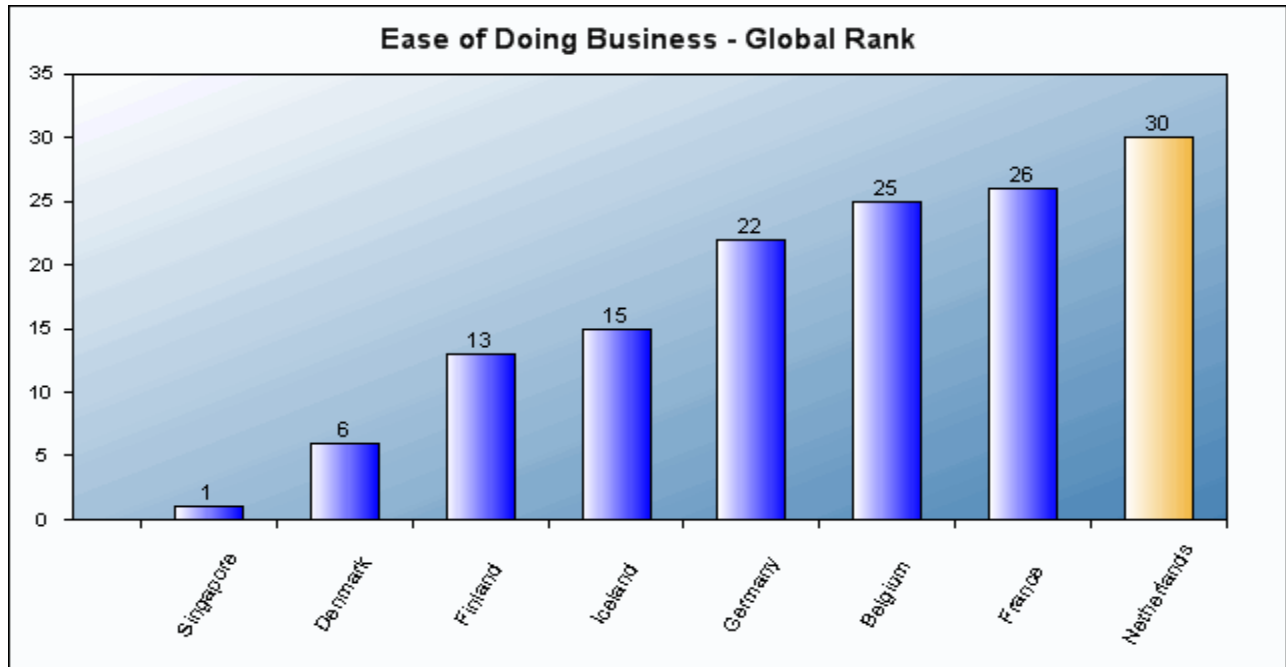
\* Except for the Paying Taxes indicator that refers to the period January to December of 2009.

Note: 2008-2010 Doing Business data and rankings have been recalculated to reflect changes to the methodology and the addition of new economies (in the case of the rankings).

## Economy Rankings - Ease of Doing Business

Netherlands is ranked 30 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

### Netherlands - Compared to global good practice economy as well as selected economies:



### Netherlands's ranking in Doing Business 2011

Rank	Doing Business 2011
Ease of Doing Business	30
Starting a Business	71
Dealing with Construction Permits	105
Registering Property	46
Getting Credit	46
Protecting Investors	109
Paying Taxes	27
Trading Across Borders	13
Enforcing Contracts	29
Closing a Business	11

## Summary of Indicators - Netherlands

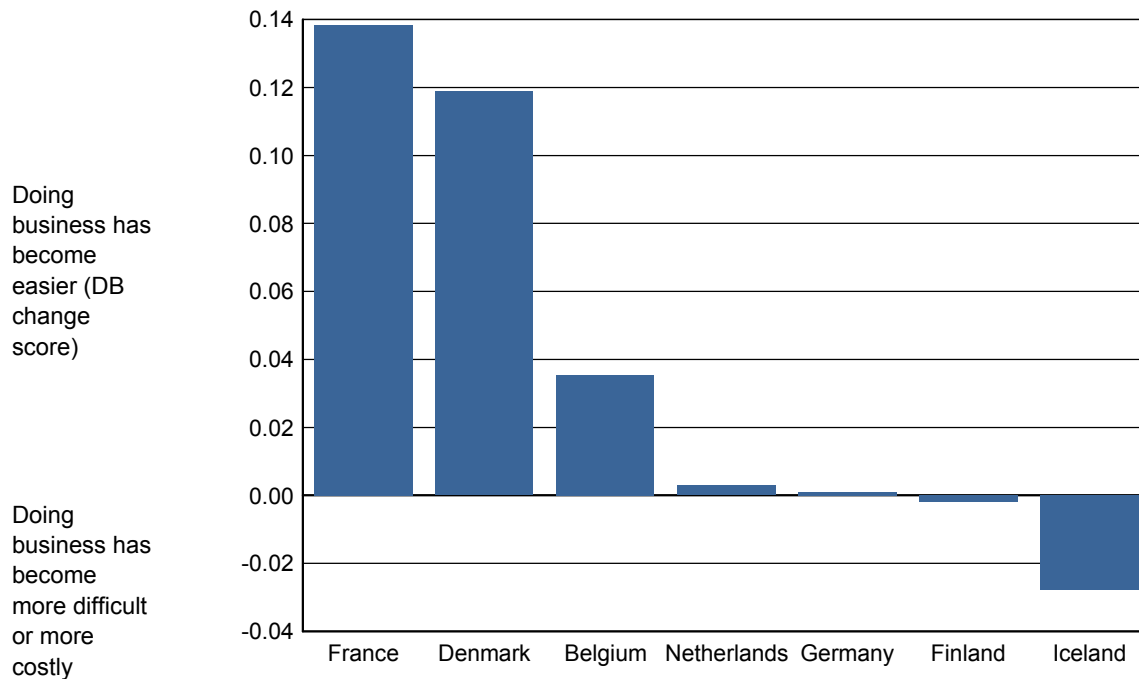
<b>Starting a Business</b>	Procedures (number)	6
	Time (days)	8
	Cost (% of income per capita)	5.7
	Min. capital (% of income per capita)	52.4
<b>Dealing with Construction Permits</b>	Procedures (number)	18
	Time (days)	230
	Cost (% of income per capita)	113.8
<b>Registering Property</b>	Procedures (number)	5
	Time (days)	7
	Cost (% of property value)	6.1
<b>Getting Credit</b>	Strength of legal rights index (0-10)	6
	Depth of credit information index (0-6)	5
	Public registry coverage (% of adults)	0.0
	Private bureau coverage (% of adults)	100.0
<b>Protecting Investors</b>	Extent of disclosure index (0-10)	4
	Extent of director liability index (0-10)	4
	Ease of shareholder suits index (0-10)	6
	Strength of investor protection index (0-10)	4.7
<b>Paying Taxes</b>	Payments (number per year)	9
	Time (hours per year)	134
	Profit tax (%)	20.9
	Labor tax and contributions (%)	17.9
	Other taxes (%)	1.7
	Total tax rate (% profit)	40.5
<b>Trading Across Borders</b>	Documents to export (number)	4
	Time to export (days)	6
	Cost to export (US\$ per container)	895
	Documents to import (number)	5
	Time to import (days)	6
	Cost to import (US\$ per container)	942

<b>Enforcing Contracts</b>	Procedures (number)	26
	Time (days)	514
	Cost (% of claim)	24.4
<b>Closing a Business</b>	Recovery rate (cents on the dollar)	81.9
	Time (years)	1.1
	Cost (% of estate)	4

The 5 year measure of cumulative change illustrates how the business regulatory environment has changed in 174 economies from *Doing Business 2006* to *Doing Business 2011*. Instead of highlighting which countries currently have the most business friendly environment, this new approach shows the extent to which an economy's regulatory environment for business has changed compared with 5 years ago.

This snapshot reflects all cumulative changes in an economy's business regulation as measured by the Doing Business indicators-such as a reduction in the time to start a business thanks to a one-stop shop or an increase in the strength of investor protection index thanks to new stock exchange rules that tighten disclosure requirements for related-party transactions.

This figure shows the distribution of cumulative change across the 9 indicators and time between *Doing Business 2006* and *Doing Business 2011*





Many economies have undertaken reforms to smooth the starting a business process in stages—and often as part of a larger regulatory reform program. A number of studies have shown that among the benefits of streamlining the process to start a business have been greater firm satisfaction and savings and more registered businesses, financial resources and job opportunities. Economies with higher entry costs are associated with a larger informal sector and a smaller number of legally registered firms.

#### Some reform outcomes

*In Egypt reductions of the minimum capital requirement in 2007 and 2008 led to an increase of more than 30% in the number of limited liability companies.*

*In Portugal creation of One-Stop Shop in 2006 and 2007 resulted in a reduction of time to start a business from 54 days to 5. In 2007 and 2008 new business registrations were up by 60% compared with 2006.*

*In Malaysia reduction of registration fees in 2008 led to an increase in registrations by 16% in 2009.*

#### What does Starting a Business measure?

##### Procedures to legally start and operate a company (number)

- Preregistration (for example, name verification or reservation, notarization)
- Registration
- Post registration (for example, social security registration, company seal)

##### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day
- Procedure completed once final document is received
- No prior contact with officials

##### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- No professional fees unless services required by law

##### Paid-in minimum capital (% of income per capita)

- Deposited in a bank or with a notary prior to registration begins

**Starting a Business:** getting a local limited liability company up and running  
Rankings are based on 4 subindicators



#### Case Study Assumptions

- Doing Business records all procedures that are officially required for an entrepreneur to start up and formally operate an industrial or commercial business.
- Any required information is readily available and that all agencies involved in the start-up process function without corruption.

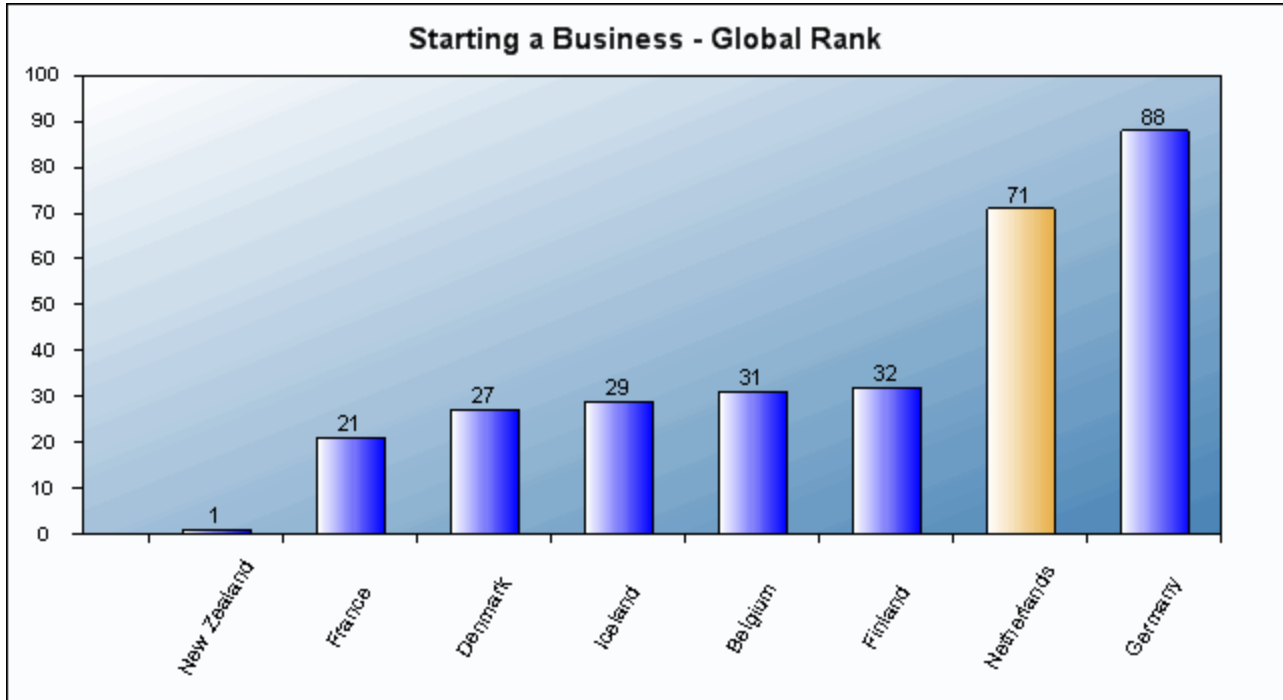
#### The business:

- is a limited liability company, located in the largest business city
- conducts general commercial activities
- is 100% domestically owned
- has a start-up capital of 10 times income per capita
- has a turnover of at least 100 times income per capita
- has at least 10 and up to 50 employees
- does not qualify for investment incentives or any special benefits
- leases the commercial plant and offices and is not a proprietor of real estate

## 1. Benchmarking Starting a Business Regulations:

Netherlands is ranked 71 overall for Starting a Business.

Ranking of Netherlands in Starting a Business - Compared to good practice and selected economies:



The following table shows Starting a Business data for Netherlands compared to good practice and comparator economies:

<b>Good Practice Economies</b>	<b>Procedures (number)</b>	<b>Time (days)</b>	<b>Cost (% of income per capita)</b>	<b>Min. capital (% of income per capita)</b>
<b>Denmark*</b>			0.0	
<b>New Zealand*</b>	1	1		0.0

<i>Selected Economy</i>				
<b>Netherlands</b>	<b>6</b>	<b>8</b>	<b>5.7</b>	<b>52.4</b>

<i>Comparator Economies</i>				
<b>Belgium</b>	3	4	5.4	19.6
<b>Denmark</b>	4	6	0.0	26.0
<b>Finland</b>	3	14	1.1	7.9
<b>France</b>	5	7	0.9	0.0
<b>Germany</b>	9	15	4.8	0.0
<b>Iceland</b>	5	5	2.3	12.0

\* The following economies are also good practice economies for :

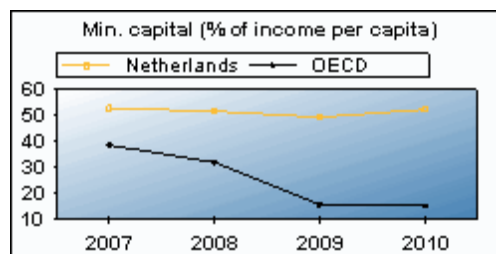
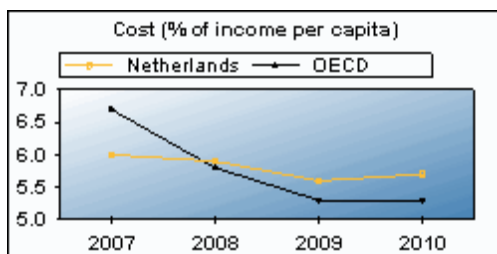
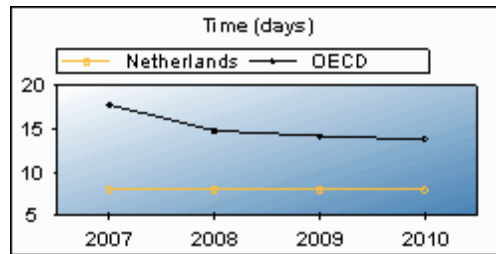
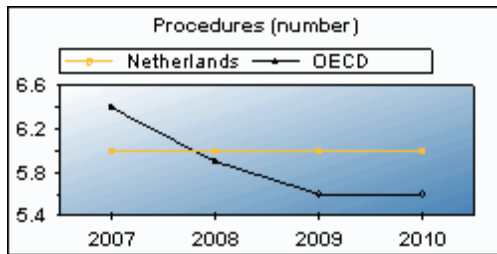
**Procedures (number): Canada**

**Cost (% of income per capita): Slovenia**

## 2. Historical data: Starting a Business in Netherlands

Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	64	71
Procedures (number)	6	6	6	6
Time (days)	8	8	8	8
Cost (% of income per capita)	6.0	5.9	5.6	5.7
Min. capital (% of income per capita)	52.9	51.7	49.4	52.4

3. The following graphs illustrate the Starting a Business sub indicators in Netherlands over the past 4 years:



## What are the time, cost, paid-in minimum capital and number of procedures to get a local, limited liability company up and running?



This table summarizes the procedures and costs associated with setting up a business in the Netherlands.

### STANDARDIZED COMPANY

Legal Form: Besloten Vennootschap (BV)

City: Amsterdam

### Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Deposit the minimum capital required in the bank	1	no charge
2	Check the company name for appropriateness and validity at the Chamber of Commerce.	1	no charge
3	Submit details of the incorporator(s) and first managing director(s) to the Ministry of Justice for approval or “declaration of no objection”	3	EUR 91
4	Draft and sign the company’s deed of incorporation, executed by a civil law notary	1	EUR 1,750
5	Enter the company in the commercial register at the local chamber of commerce and obtain a registration number.	1	EUR 123
6	Register with the local tax authorities (at the same office register for social security authorities)	1	no charge

## Starting a Business Details - Netherlands

<b>Procedure</b>	<b>1</b>	<b>Deposit the minimum capital required in the bank</b>
<b>Time to complete:</b>	1	
<b>Cost to complete:</b>	no charge	
<b>Comment:</b>		
<b>Procedure</b>	<b>2</b>	<b>Check the company name for appropriateness and validity at the Chamber of Commerce.</b>
<b>Time to complete:</b>	1	
<b>Cost to complete:</b>	no charge	
<b>Comment:</b>		One or two alternative names may be submitted at the same time. The response arrives by mail. The cost may vary among different chambers of commerce.
<b>Procedure</b>	<b>3</b>	<b>Submit details of the incorporator(s) and first managing director(s) to the Ministry of Justice for approval or “declaration of no objection”</b>
<b>Time to complete:</b>	3	
<b>Cost to complete:</b>	EUR 91	
<b>Comment:</b>		Until executing the deed of incorporation, the firm can operate as a BV "in the process of incorporation." The civil law notary cannot execute the deed of incorporation without prior approval of the Ministry of Justice, which is indicated by a declaration of no-objection. The deed also includes the amounts of authorized, issued and paid-up share capital and the names of the incorporators, shareholders, managing directors, and members of the supervisory board. If any of these parties (natural persons or legal entities, in principle apart from members of the supervisory board) are not Dutch citizens, more detailed information is possibly required for the approval. Acquiring a declaration of no-objection from the Ministry of Justice takes from 48 hours (for an urgent application) up to about 2 weeks, depending on the time the Ministry of Justice needs for its investigation of the antecedents of the parties.
<b>Procedure</b>	<b>4</b>	<b>Draft and sign the company’s deed of incorporation, executed by a civil law notary</b>
<b>Time to complete:</b>	1	
<b>Cost to complete:</b>	EUR 1,750	
<b>Comment:</b>		Notary rates are negotiable and can be billed on the basis of an hourly rate, or a fixed fee. This varies between notaries. The deed can be signed with a power of attorney of one of the employees of the notary.
<b>Procedure</b>	<b>5</b>	<b>Enter the company in the commercial register at the local chamber of commerce and obtain a registration number.</b>
<b>Time to complete:</b>	1	
<b>Cost to complete:</b>	EUR 123	

**Comment:** If the Chamber of Commerce is visited in person, it takes several hours to receive a registration number. If the documents are filed by mail, it takes a week. Membership in the local chamber of commerce is mandatory. Initial and annual fees depend on the number of employees and the authorized share capital of the firm. The initial annual fee for a small firm (fewer than 50 employees and authorized capital of no more than EUR 90.000) is EUR 115.80. A medium-size firm (50–250 employees and authorized capital of EUR 2.5–10 million pays EUR 299.80. A large firm (more than 250 employees and more than EUR 10 million authorized share capital) pays EUR 760.30. The payment of the fee can be in cash, wire transfer, bank draft, and the like. Usually an invoice arrives by mail from the Chamber, and the preferred method of payment is by wire transfer.

After incorporation of the company, the founders of the company are jointly and severally liable for each legal act performed during their management and which binds the company in the period before (a) the registration has been effected and (b) the minimum required capital is paid up. Publication in the Netherlands Official Gazette (Staatscourant) of the first registration and certain subsequent registrations is required and will be made by the Chamber. Companies with more than 50 employees must have a properly constituted workers council. The workers council representatives are entitled to participate in discussions and give advice on important company matters.

**Procedure 6 Register with the local tax authorities (at the same office register for social security authorities)**

**Time to complete:** 1

**Cost to complete:** no charge

**Comment:** The registration form can be filed in a day but it will take the tax office 4–6 weeks to provide the required tax numbers. For income tax a separate registration form must be filed and this can also take 4 weeks.

In many economies, especially developing ones, complying with building regulations is so costly in time and money that many builders opt out. Builders may pay bribes to pass inspections or simply build illegally, leading to hazardous construction. Where the regulatory burden is large, entrepreneurs may tend to move their activity into the informal economy. There they operate with less concern for safety, leaving everyone worse off. In other economies compliance is simple, straightforward and inexpensive, yielding better results.

### Some reform outcomes

*In Burkina Faso, a one-stop shop for construction permits, "Centre de Facilitation des Actes de Construire", was opened in May 2008. The new regulation merged 32 procedures into 15, reduced the time required from 226 days to 122 and cut the cost by 40%. From May 2009 to May 2010 611 building permits were granted in Ouagadougou, up from an average of about 150 a year in 2002-06.*

*Toronto, Canada revamped its construction permitting process in 2005 by introducing time limits for different stages of the process and presenting a unique basic list of requirements for each project. Later it provided for electronic information and risk-based approvals with fast-track procedures. Between 2005 and 2008 the number of commercial building permits increased by 17%, the construction value of new commercial buildings by 84%.*

### What does the Dealing with Construction Permits indicator measure?

#### Procedures to legally build a warehouse (number)

- Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates
- Completing all required notifications and receiving all necessary inspections
- Obtaining utility connections for electricity, water, sewerage and a land telephone line
- Registering the warehouse after its completion (if required for use as collateral or for transfer of warehouse)

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day
- Procedure completed once final document is received
- No prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes

### Case Study Assumptions

#### The business:

- is a small to medium-size limited liability company in the construction industry, located in the economy's largest business city
- is 100% domestically and privately owned and operated
- has 60 builders and other employees
- has at least one employee who is a licensed architect and registered with the local association of architects

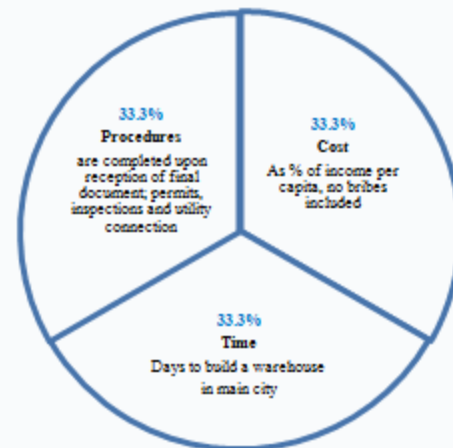
#### The warehouse:

- is a new construction (there was no previous construction on the land)
- has 2 stories, both above ground, with a total surface of approximately 1,300.6 sq. meters (14,000 sq. feet)
- has complete architectural and technical plans prepared by a licensed architect
- will be connected to electricity, water, sewerage (sewage system, septic tank or their equivalent) and a land telephone line
- will be used for general storage of non-hazardous goods, such as books
- will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements)

### Dealing with Construction Permits:

#### Building a warehouse

Rankings are based on 3 subindicators





## 1. Benchmarking Dealing with Construction Permits Regulations:

Netherlands is ranked 105 overall for Dealing with Construction Permits.

Ranking of Netherlands in Dealing with Construction Permits - Compared to good practice and selected economies:



The following table shows Dealing with Construction Permits data for Netherlands compared to good practice and comparator economies:

<b>Good Practice Economies</b>	<b>Procedures (number)</b>	<b>Time (days)</b>	<b>Cost (% of income per capita)</b>
<b>Denmark</b>	6		
<b>Qatar</b>			0.8
<b>Singapore</b>		25	

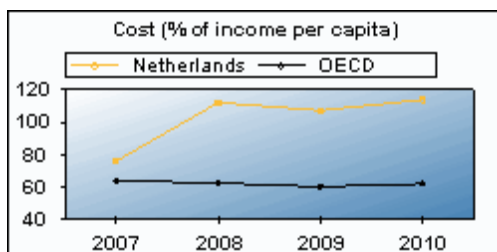
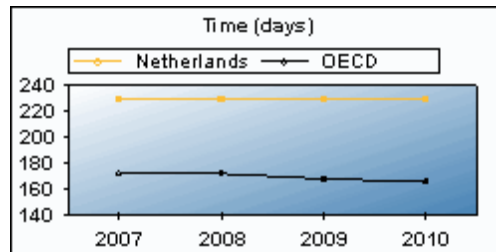
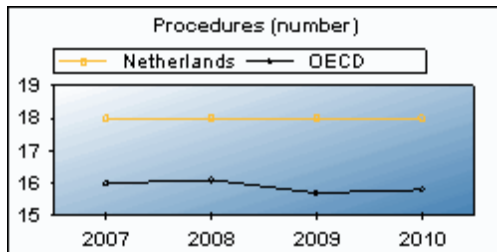
<i>Selected Economy</i>			
<b>Netherlands</b>	<b>18</b>	<b>230</b>	<b>113.8</b>

<i>Comparator Economies</i>			
<b>Belgium</b>	14	169	64.1
<b>Denmark</b>	6	69	61.7
<b>Finland</b>	18	66	134.2
<b>France</b>	13	137	23.6
<b>Germany</b>	12	100	61.8
<b>Iceland</b>	18	75	19.6

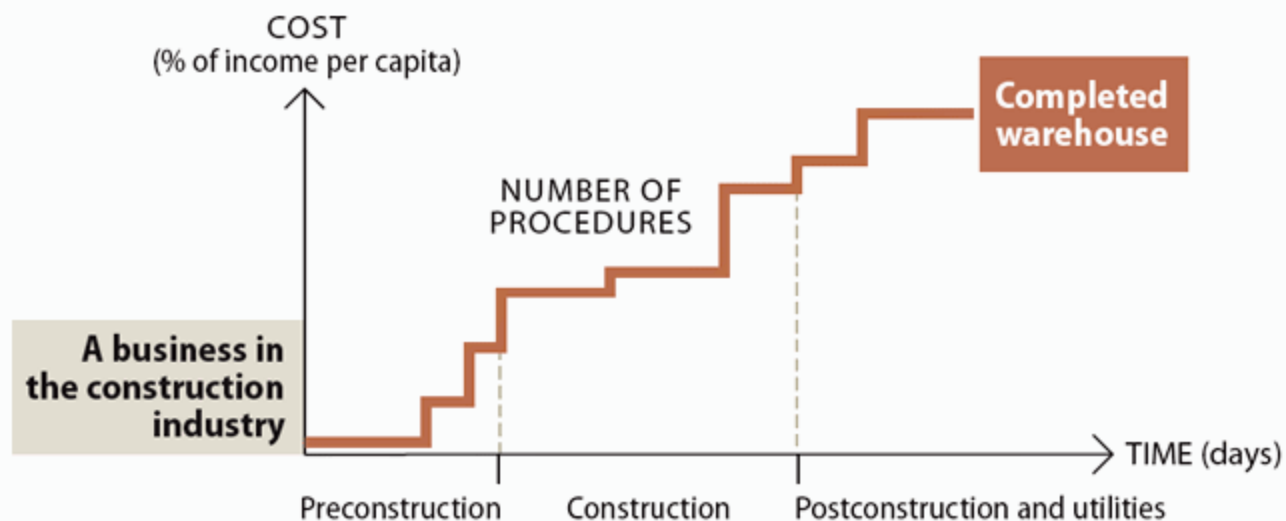
## 2. Historical data: Dealing with Construction Permits in Netherlands

Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	106	105
Procedures (number)	18	18	18	18
Time (days)	230	230	230	230
Cost (% of income per capita)	76.0	112.1	107.2	113.8

3. The following graphs illustrate the Dealing with Construction Permits sub indicators in Netherlands over the past 4 years:



## What are the time, cost and number of procedures to comply with formalities to build a warehouse?



The table below summarizes the procedures, time, and costs to build a warehouse in the Netherlands.

### BUILDING A WAREHOUSE

City: Amsterdam

#### Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain review of a rough plan of the warehouse by the municipal authorities	62 days	EUR 4,500
2 *	Obtain report on the soil conditions from soil testing company	45 days	EUR 9,650
3	Submit a request for a building permit to the Municipal Executive (Mayor and Aldermen)	84 days	EUR 22,532
4 *	Request an occupancy permit from the Municipal Executive (Gebruiksvergunning)	84 days	EUR 1,350
5 *	Notify the Municipal House if there is a heating installation	1 day	no charge
6	Notify building inspector 2 days before work begins	1 day	no charge
7	Request and receive inspection at the foundation stage	1 day	no charge
8	Request and receive inspection at the roof stage	1 day	no charge

9	Notify building inspector upon completion of work	1 day	no charge
10	Notify fire department upon completion of work	1 day	no charge
11	Receive final inspection	1 day	no charge
12	Request connection to electricity	15 days	no charge
13 *	Receive inspection by the electricity provider	1 day	no charge
14	Pay and obtain connection to the electricity provider	15 days	EUR 556
15 *	Request connection to water	6 days	no charge
16 *	Receive inspection for water services	1 day	no charge
17 *	Pay and obtain water connection	21 days	EUR 370
18 *	Request and receive telephone connection	6 days	EUR 100

\* Takes place simultaneously with another procedure.

## Dealing with Construction Permits Details - Netherlands

### Procedure 1 Obtain review of a rough plan of the warehouse by the municipal authorities

<b>Time to complete:</b>	62 days
<b>Cost to complete:</b>	EUR 4,500
<b>Agency:</b>	Municipality
<b>Comment:</b>	The review costs EUR 3 for every EUR 1,000 in building costs.

### Procedure 2 Obtain report on the soil conditions from soil testing company

<b>Time to complete:</b>	45 days
<b>Cost to complete:</b>	EUR 9,650
<b>Agency:</b>	Soil Researching Company
<b>Comment:</b>	The soil on which a building is to be constructed should not be contaminated. If a soil report is not available, soil testing must be conducted. The soil testing should be performed before requesting a building permit.

### Procedure 3 Submit a request for a building permit to the Municipal Executive (Mayor and Aldermen)

<b>Time to complete:</b>	84 days
<b>Cost to complete:</b>	EUR 22,532
<b>Agency:</b>	Municipal Executive (Mayor and Aldermen)
<b>Comment:</b>	<p>As of January 2008 Provisions on Legal Fees of the Municipality of Amsterdam has been updated to include higher fees for the building permit. It is calculated on the basis of: EUR 365, plus EUR 38 for each EUR 1000 of building cost. Several documents need to be added to the request, including quality certificates, floor plans, and detailed drawings. It is possible to obtain a checklist of criteria and documents from the municipality.</p>

After receiving the request for a building permit, the Municipal Executive first checks whether the request is complete. If not, a period of 4 weeks could be granted to supplement the missing data. Within 2 weeks of receiving a completed request, the Municipal Executive publishes notice of the request in a free local paper. The request is reviewed against the following:

- The zoning plan (bestemmingsplan).
- The building decree (bouwbesluit), a city council order that contains the minimal technical requirements for constructions,
- The municipal building regulations (gemeentelijke bouwverordening) containing rules with regard to, for example, connections to the sewer and public utilities, and town planning regulations.

An inspector employed to enforce the regulations regarding the external appearance of buildings (Welstandscommissie) reviews the request against the municipal note on building regulations established for that purpose.

The 84-day period for the issuance of a permit may be extended by an additional period of 42 days, but only after the applicant has been properly notified. More time may be

needed for the decision if an exemption from the zoning plan or an environmental permit is required.

If the authorities do not issue their decision within the legal time limit, the law assumes that the applicant is legally, and automatically, granted the building permit.

#### **Procedure 4 Request an occupancy permit from the Municipal Executive (Gebruiksvergunning)**

**Time to complete:** 84 days

**Cost to complete:** EUR 1,350

**Agency:** Municipal Executive (Gebruiksvergunning)

**Comment:** The request for a use permit must be submitted to the Municipal Executive. Several documents must be submitted with the request, including floor and ground plans. The time frame can be extended by another 42 days, but only after the applicant has been properly notified. If the request is not complete, the Municipal Executive can grant a period of 4 weeks for BuildCo to submit all the required data.

If a request for a building permit is pending, the decision to issue a use permit is postponed until the building permit is issued. The time limit for making a decision regarding the application for a use permit is 42 days from the date the building permit has been granted. A law allowing for the simultaneous application for the building permit and the use permit is under preparation but will most likely not be in effect before 2009.

According to municipal building regulations, it is prohibited to use a building for storage of, among other things, flammable material, material conducive to fire, or material that creates a danger when fire breaks out (as defined by the Statutory Regulations on the Building Decree, or Regeling Bouwbesluit). Corrugated cardboard is considered highly inflammable. If the warehouse is to be used to store books, for instance, a use permit might therefore be compulsory.

#### **Procedure 5 Notify the Municipal House if there is a heating installation**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Municipality

**Comment:** The notification is pursuant to the municipal heating regulations (Verordening Stookinstallaties). The regulations establish technical and environmental rules with which the installation should comply.

#### **Procedure 6 Notify building inspector 2 days before work begins**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Building Inspection

**Comment:** For each of the following activities, an independent notification is required:

- The start of construction work, including excavations.
- The start of foundation activities.
- The start of soil consolidation activities.

Furthermore, the building inspection office should be notified at least one day before the

start of concrete pouring. This inspection can be carried out on site.

**Procedure 7 Request and receive inspection at the foundation stage**

**Time to complete:** 1 day  
**Cost to complete:** no charge  
**Agency:** Building Inspection  
**Comment:** There are one or two inspections at the foundation stage.

**Procedure 8 Request and receive inspection at the roof stage**

**Time to complete:** 1 day  
**Cost to complete:** no charge  
**Agency:** Building Inspection  
**Comment:** There are one or two inspections at the roofing stage.

**Procedure 9 Notify building inspector upon completion of work**

**Time to complete:** 1 day  
**Cost to complete:** no charge  
**Agency:** Building Inspection  
**Comment:** If a permit is required for the use the building, the building inspector must be notified when part of the construction has been completed, such as when the connection to the sewer system has been made, or when all the work has been completed. Notification must be given of the completion of construction work in order to be granted a permit to use the property. If inspections show that the building has not been constructed in accordance with the building permit, a use permit cannot be issued.

**Procedure 10 Notify fire department upon completion of work**

**Time to complete:** 1 day  
**Cost to complete:** no charge  
**Agency:** Fire Department  
**Comment:**

**Procedure 11 Receive final inspection**

**Time to complete:** 1 day  
**Cost to complete:** no charge



**Comment:**

**Procedure 12 Request connection to electricity**

**Time to complete:** 15 days

**Cost to complete:** no charge

**Agency:** E.ON Benelux

**Comment:**

**Procedure 13 Receive inspection by the electricity provider**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** E.ON Benelux

**Comment:**

**Procedure 14 Pay and obtain connection to the electricity provider**

**Time to complete:** 15 days

**Cost to complete:** EUR 556

**Agency:** E.ON Benelux

**Comment:**

**Procedure 15 Request connection to water**

**Time to complete:** 6 days

**Cost to complete:** no charge

**Agency:** Vitens N.V.

**Comment:**

**Procedure 16 Receive inspection for water services**

**Time to complete:** 1 day

**Cost to complete:** no charge

**Agency:** Vitens N.V.

**Comment:**

**Procedure 17 Pay and obtain water connection**

**Time to complete:** 21 days

**Cost to complete:** EUR 370

**Agency:** Vitens N.V.

**Comment:**

**Procedure 18 Request and receive telephone connection**

**Time to complete:** 6 days

**Cost to complete:** EUR 100

**Agency:** Koninklijke KPN N.V. (KPN)

**Comment:**

Ensuring formal property rights is fundamental. Effective administration of land is part of that. If formal property transfer is too costly or complicated, formal titles might go informal again. *Doing Business* records the full sequence of procedures necessary for a business to purchase a property from another business and transfer the property title to the buyer's name. In the past 6 years 105 economies undertook 146 reforms making it easier to transfer property. Globally, the time to transfer property fell by 38% and the cost by 10% over this time. The most popular feature of property registration reform in these 6 years, implemented in 52 economies, was lowering transfer taxes and government fees.

### Some reform outcomes

*Georgia now allows property transfers to be completed through 500 authorized users, notably banks. This saves time for entrepreneurs. A third of people transferring property in 2009 chose authorized users, up from 7% in 2007. Also, Georgia's new electronic registry managed 68,000 sales in 2007, twice as many as in 2003.*

*Belarus's unified and computerized registry was able to cope with the addition of 1.2 million new units over 3 years. The registry issued 1 million electronic property certificates in 2009.*

### What does the Registering Property indicator measure?

**Registering Property:** transfer of property between 2 local companies

Rankings are based on 3 subindicators

### Procedures to legally transfer title on immovable property (number)

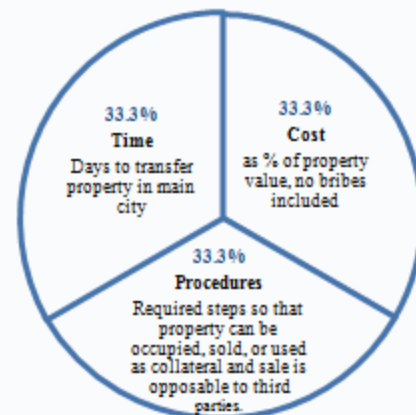
- Preregistration (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration in the economy's largest business city
- Post registration (for example, transactions with the local authority, tax authority or cadastre)

### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day
- Procedure completed once final document is received
- No prior personal contact with officials

### Cost required to complete each procedure (% of property value)

- Official costs only, no bribes
- No value added or capital gains taxes included



### Case Study Assumptions

#### The parties (buyer and seller):

- Are limited liability companies, 100% domestically and privately owned.
- Are located in the periurban area of the economy's largest business city.
- Have 50 employees each, all of whom are nationals.
- Perform general commercial activities.

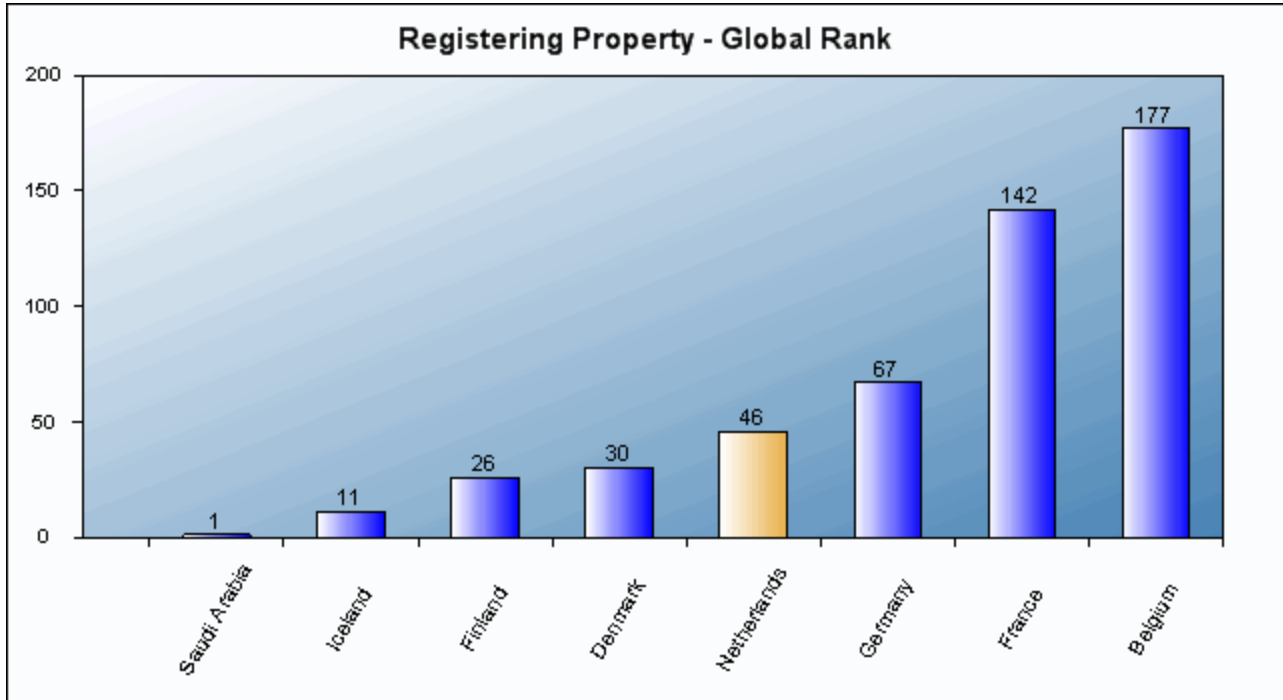
#### The property (fully owned by the seller):

- Has a value of 50 times income per capita. The sale price equals the value.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone, and no rezoning is required.
- Consists of a 557.4 square meters (6,000 square feet) land and 10 years old 2-story warehouse of 929 square meters (10,000 square feet) located on the land. The warehouse is in good condition and complies with all safety standards, building codes and legal requirements. The property will be transferred in its entirety.

## 1. Benchmarking Registering Property Regulations:

Netherlands is ranked 46 overall for Registering Property.

Ranking of Netherlands in Registering Property - Compared to good practice and selected economies:



The following table shows Registering Property data for Netherlands compared to good practice and comparator economies:

<b>Good Practice Economies</b>	<b>Procedures (number)</b>	<b>Time (days)</b>	<b>Cost (% of property value)</b>
<b>New Zealand*</b>		2	
<b>Norway*</b>	1		
<b>Saudi Arabia</b>			0.0

<i>Selected Economy</i>			
<b>Netherlands</b>	<b>5</b>	<b>7</b>	<b>6.1</b>

<i>Comparator Economies</i>			
<b>Belgium</b>	8	79	12.7
<b>Denmark</b>	3	42	0.6
<b>Finland</b>	3	14	4.0
<b>France</b>	8	59	6.1
<b>Germany</b>	5	40	5.1
<b>Iceland</b>	3	4	2.4

\* The following economies are also good practice economies for :

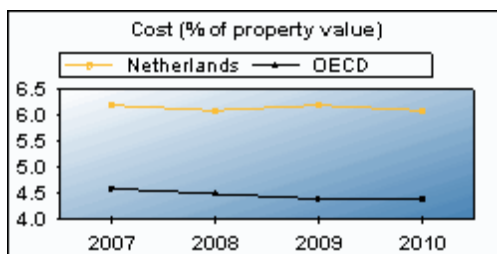
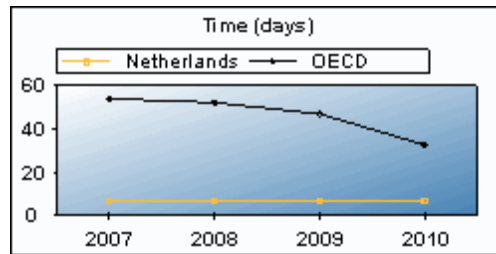
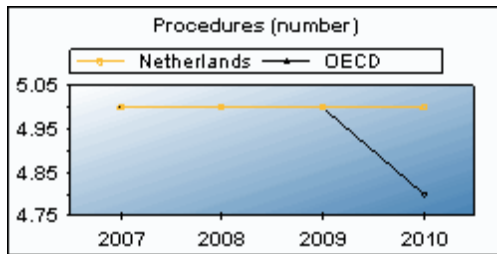
**Procedures (number): United Arab Emirates**

**Time (days): Saudi Arabia, Thailand, United Arab Emirates**

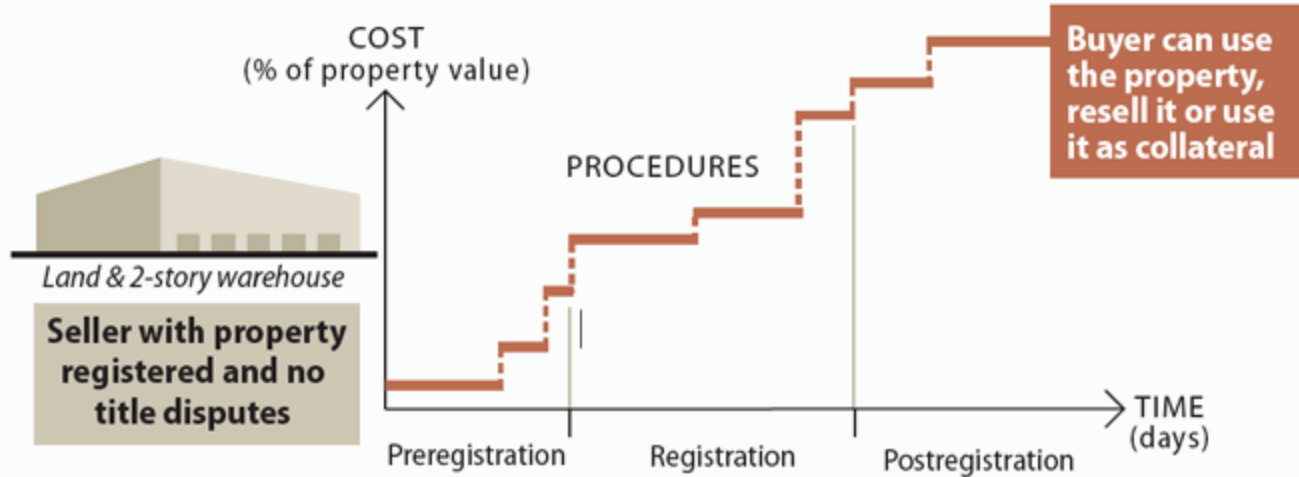
## 2. Historical data: Registering Property in Netherlands

Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	43	46
Procedures (number)	5	5	5	5
Time (days)	7	7	7	7
Cost (% of property value)	6.2	6.1	6.2	6.1

3. The following graphs illustrate the Registering Property sub indicators in Netherlands over the past 4 years:



**What are the time, cost and number of procedures required to transfer a property between 2 local companies?**



This topic examines the steps, time, and cost involved in registering property in the Netherlands.

*STANDARDIZED PROPERTY*

Property Value: 1,715,961.91

City: Amsterdam

**Registration Requirements:**

No:	Procedure	Time to complete	Cost to complete
-----	-----------	------------------	------------------

1	*	Notary conducts a title search at the Land Registry	up to 4 days (simultaneous with procedure 2)	Title search: (disbursements, charged by the Land Registry) (subject to 19% VAT): EUR 1.4 per registered title; EUR 1.4 per cadastral map; EUR 1.4 per cadastral extract (x4). (per cadastral parcel two extracts are required, one regarding the ownership and one regarding the mortgages and attachments – even if the property has no mortgages). Research regarding the representation of the buyer and purchaser: (disbursements, charged by the Chamber of Commerce) total EUR 49.00: EUR 11.00 for the articles of association (of each company); EUR 11.00 for an authenticated commercial extract (of each company); EUR 2.50 per on-line review of the details of the companies involved (commercial extract) (of each company). Notarial fee (inter alia including the work mentioned above under procedure 1): EUR 1,000-3,500 (subject to 19% VAT) Final check: no cost
2	*	Notary conducts a search on the representation of the parties	1 day (online; simultaneous with procedure 1 )	Certified copy of annual accounts 7.50 euro, names of legal representatives 2.50 euro.
3		Execution of the transfer deed	1 day	Transfer Tax: 6% of property value (Transfer Tax) Land Registry: + EUR 145 for registration (free of VAT) or EUR 116 by semi automatic registration + EUR 2.95 for post-registration check (free of VAT)
4		Registration of deed	1 day (online)	cost already counted in procedure 3
5		Registration with Tax authority, Department Registration	1 day (online)	Already paid in proc 5

\* Takes place simultaneously with another procedure.



## Registering Property Details - Netherlands

### Procedure 1 Notary conducts a title search at the Land Registry

**Time to complete:** up to 4 days (simultaneous with procedure 2)

**Cost to complete:** Title search: (disbursements, charged by the Land Registry) (subject to 19% VAT): EUR 1.4 per registered title; EUR 1.4 per cadastral map; EUR 1.4 per cadastral extract (x4). (per cadastral parcel two extracts are required, one regarding the ownership and one regarding the mortgages and attachments – even if the property has no mortgages). Research regarding the representation of the buyer and purchaser: (disbursements, charged by the Chamber of Commerce) total EUR 49.00: EUR 11.00 for the articles of association (of each company); EUR 11.00 for an authenticated commercial extract (of each company); EUR 2.50 per on-line review of the details of the companies involved (commercial extract) (of each company). Notarial fee (inter alia including the work mentioned above under procedure 1): EUR 1,000-3,500 (subject to 19% VAT) Final check: no cost

**Agency:** Cadastre, Land Registry and Mapping Agency

**Comment:** According to Dutch Civil Code it is mandatory to hire a civil law notary to perform the registration process of property in the Netherlands. The civil law notary will conduct a title search at the Land Registry to check for ownership and encumbrances before executing the deed.  
Art 84 Book 3 Civil Code states that for a legally valid transaction the seller should have the right to dispose, which is one of the major elements of a property right. For such transactions a notarial deed is compulsory ('authentic deed'); therefore the notary checks whether the seller is indeed the owner. This is not mandatory by law, but implicitly. It is mandatory in the professional rules of the National Association of Notaries.

Notaries can consult the land register by an on-line system, called the Automatic Cadastral Registration (AKR), but only regarding some aspects. The deeds and other registered documents from 1998 onwards are online accessible. Since December 2009 all deeds are digitally available (first deeds 1832). Extracts from the cadastral map showing the relevant properties are also available online. To obtain all relevant information takes a few minutes. A notary can ask the Land Registry Office to find out the history and numbers of a parcel. If a cadastral parcel has been changed (e.g. a parcel is divided in 2 new parcels), the parcel will be given a new, unique parcel number. The civil law notary then drafts the deed of transfer. Some notaries charge by the hours of work they spend on the case, others charge as a percentage on the value of the property. An average fee is estimated between EUR 1,000 and 3,500.

Preemption rights ('Voorkooprecht') only applies in exceptional cases, for properties located in the Municipalities Preferential Rights Act or for ground leases (as opposed to freehold).

### Procedure 2 Notary conducts a search on the representation of the parties

**Time to complete:** 1 day (online; simultaneous with procedure 1 )

**Cost to complete:** Certified copy of annual accounts 7.50 euro, names of legal representatives 2.50 euro.

**Agency:** Trade Register ([www.kvk.nl](http://www.kvk.nl))

**Comment:** For companies the notary must conduct an on-line research with the Trade Register with respect to specific information of the company (such as address, managing directors). The articles of association cannot be checked on-line. The civil law notary can have these sent to him by mail or fax. It is to identify who is authorized to legally bind the company. This

procedure is mandated by the Manual that was adopted in May 2009 by the Association of Notaries (internal rules). The May 2009 Manual explains how to apply the "August 2008 Law against Whitewashing and Financing of Terrorism" (referred to as the "WWFT" law). Article 11 of the law is related to identifying and verifying the identity of people. In Section B of the Annex (page 3), the text refers to "article 4, para 2 of the Executive Decree to the Law", which states that "to identify companies registered in the Netherlands, an extract from the trade registrar is a sufficient document."

The Annex and the Manual as a pdf on <http://www.notaris.nl/page.asp?id=1006>

The notary will also check the Insolvency Registry, which is a public register held by the courts, in which everybody (including companies) who has been declared bankrupt can be found. He checks both buyer and seller at the time of signing the deed and the registration with the Land Registry. This is not mandatory but necessary to know whether seller or buyer do not have the right to dispose and to bind, because of registration in the register. It is described in the professional rules of the National Association of Notaries.

This checking is done online at [www.faillissementen.com](http://www.faillissementen.com). Only subscribers can access this site and the annual membership fees is 175 Euro.

### Procedure 3 Execution of the transfer deed

**Time to complete:**

1 day

**Cost to complete:**

Transfer Tax:6% of property value (Transfer Tax)Land Registry: + EUR 145 for registration (free of VAT) or EUR 116 by semi automatic registration+ EUR 2.95 for post-registration check (free of VAT)

**Comment:**

The instrument of conveyance must be drawn up by a notary and signed by the latter and both parties. Before signing, a notary is required to investigate the title to the property and the seller's power to dispose of it in the public registers. The notary must provide for a transfer free of mortgages and attachments, this requires the cooperation of third parties and the retrieval of information other than that provided by the Land Registry.

The authorized persons will either have to appear before the notary or must have granted power of attorney.

After the deed has been registered with the Land Registry Office, a civil law notary must carry out the post registration check in order to detect any potential change between the execution and the registration of the deed. As the evidence of the registration is sent by internet, just after the electronic submission following execution of the transfer deed, this check can be done immediately.

### Procedure 4 Registration of deed

**Time to complete:**

1 day (online)

**Cost to complete:**

cost already counted in procedure 3

**Agency:**

Cadastre, Land Registry and Mapping Agency

**Comment:**

Every notary deed must be registered with the Land Registry ('ingeschreven'). This can be done through the internet (the notary does not need to go to the land registry or 'kadaster'). The registration fee of the Land Registry depends on the kind of deed or document registered, and the number of cadastral parcels and purchasers involved. For example, the registration fee for a deed of transfer of a property that forms 1 cadastral parcel to 1 new owner costs EUR 70. The registration fee is paid to the Land Registry Office.

### Procedure 5 Registration with Tax authority, Department Registration

**Time to complete:** 1 day (online)

**Cost to complete:** Already paid in proc 5

**Agency:** The Ministry of Finance, Tax authority, Department Registration ([www.belastingdienst.nl](http://www.belastingdienst.nl))

**Comment:** Registration with the Ministry of Finance, Tax authority, Department Registration is done online: [www.belastingdienst.nl](http://www.belastingdienst.nl)  
This is the official register of the Department Registration. Each notarial deed has to be registered within 10 days with the Tax Authority who checks the deed for taxable aspects. The transfer tax is paid to the civil law notary, who will pay this tax to the Tax Authorities after registration. The transfer tax is 6% of the total purchase price or the market value, whichever is higher. Also, or instead of transfer tax, sometimes VAT is applicable. It is 19% regarding property. This depends, inter alia, on the status of the property and the fact if the seller is a VAT-entrepreneur. They do not keep a copy but give a statement that the deed involved is checked on a certain date. The deed itself is then returned with that statement to the civil law notary. A true copy of the deed is registered at the relevant Land Registry Office. Such registration takes place immediately after the execution by submitting the deed to the Land Registry by internet. The civil law notary will receive a receipt from the internet within a few minutes of providing evidence of registration. An adaptation of the Cadastre Act making this an official procedure was endorsed by the Parliament per 1 February 2005.

Through two sets of indicators, *Doing Business* assesses the legal rights of borrowers and lenders with respect to secured transactions and the sharing of credit information. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through either a public credit registry or a private credit bureau. Credit information systems mitigate the ‘information asymmetry’ in lending and enable lenders to view a borrower’s financial history (positive or negative), providing them with valuable information to consider when assessing risk. Credit information systems benefit borrowers as well, allowing good borrowers to establish a reputable credit history which will enable them to access credit more easily. The Legal Rights Index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. Sound collateral laws will enable businesses to use their assets, especially movable property, as security to generate capital while having strong creditor’s rights has been associated with higher ratios of private sector credit to GDP.

**Some reform outcomes**

*After Vietnam’s new Civil Code was enacted in 2005, a decree further clarified the provisions governing secured transactions. Since the inclusion of the new provisions, the number of registrations increased from 43,000 (2005) to 120,000 (end of 2008).*

*In 2008, when Zambia established a private credit bureau, its database initially covered about 25,000 borrowers. Thanks to a strong communication campaign and a central bank directive, coverage has grown 10-fold in the past 2 years, exceeding 200,000 by the beginning of 2010.*

**What do the Getting Credit indicators measure?**

**Strength of legal rights index (0–10)**

- Protection of rights of borrowers and lenders through collateral laws
- Protection of secured creditors’ rights through bankruptcy laws

**Depth of credit information index (0–6)**

- Scope and accessibility of credit information distributed by public credit registries and private credit bureaus

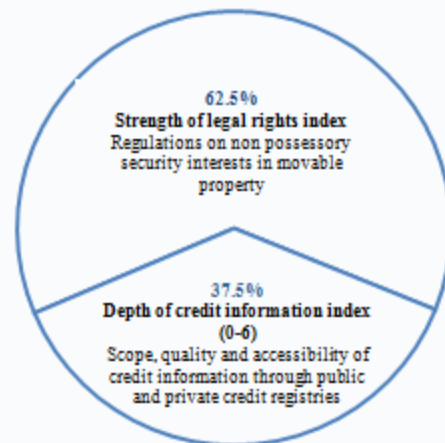
**Public credit registry coverage (% of adults)**

- Number of individuals and firms listed in public credit registry as percentage of a adult population

**Private credit bureau coverage (% of adults)**

- Number of individuals and firms listed in largest private credit bureau as percentage of a adult population

**Getting Credit: collateral rules and credit information**



*Note: Private bureau coverage and public credit registry coverage are measured but do not count for the rankings.*

**Case Study Assumptions (applying to the Legal Rights Index only)**

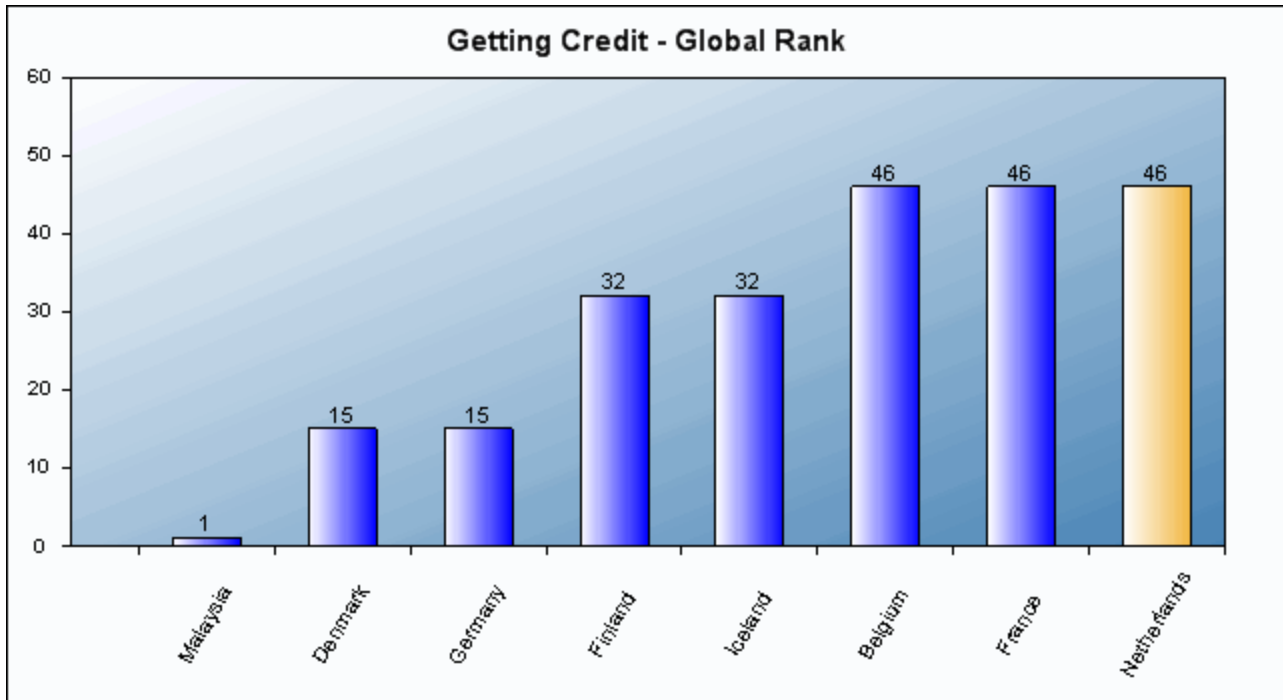
**The Debtor**

- is a Private Limited Liability Company
- has its Headquarters and only base of operations in the largest business city
- obtains a loan from a local bank (the Creditor) for an amount up to 10 times income (GNI) per capita
- Both creditor and debtor are 100% domestically owned.

## 1. Benchmarking Getting Credit Regulations:

Netherlands is ranked 46 overall for Getting Credit.

Ranking of Netherlands in Getting Credit - Compared to good practice and selected economies:



The following table shows Getting Credit data for Netherlands compared to good practice and comparator economies:

<b>Good Practice Economies</b>	<b>Strength of legal rights index (0-10)</b>	<b>Depth of credit information index (0-6)</b>	<b>Public registry coverage (% of adults)</b>	<b>Private bureau coverage (% of adults)</b>
<b>New Zealand*</b>				100.0
<b>Portugal</b>			67.1	
<b>Singapore*</b>	10			
<b>United Kingdom</b>		6		

<i>Selected Economy</i>				
<b>Netherlands</b>	<b>6</b>	<b>5</b>	<b>0.0</b>	<b>100.0</b>

<i>Comparator Economies</i>				
<b>Belgium</b>	7	4	57.2	0.0
<b>Denmark</b>	9	4	0.0	5.4
<b>Finland</b>	7	5	0.0	14.9
<b>France</b>	7	4	33.3	0.0
<b>Germany</b>	7	6	1.0	98.4
<b>Iceland</b>	7	5	0.0	100.0

\* The following economies are also good practice economies for :

**Strength of legal rights index (0-10): Hong Kong, China, Kenya, Kyrgyz Republic, Malaysia**

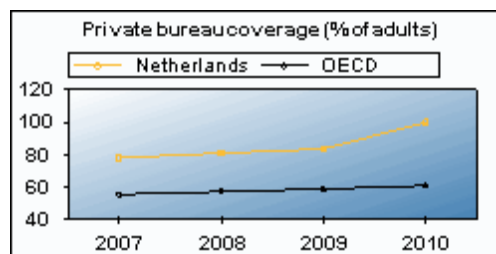
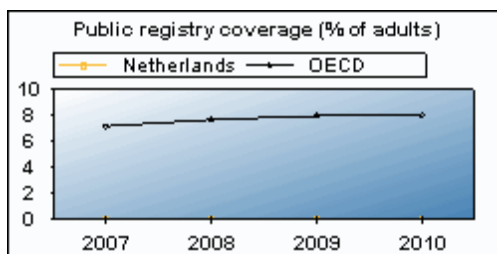
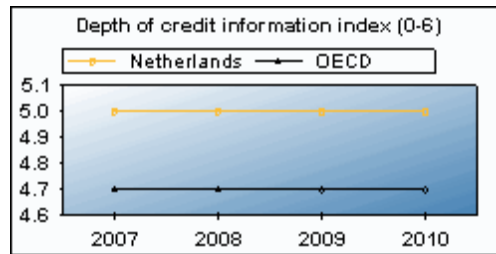
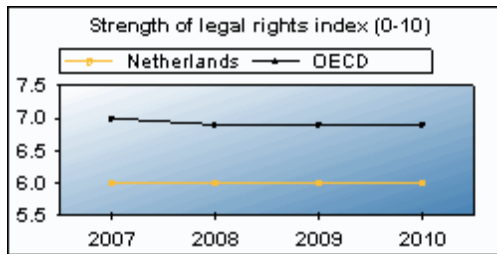
**Private bureau coverage (% of adults): Argentina, Australia, Canada, Iceland, Ireland, Norway, Sweden, United Kingdom, United States**

**27 countries have the highest credit information index.**

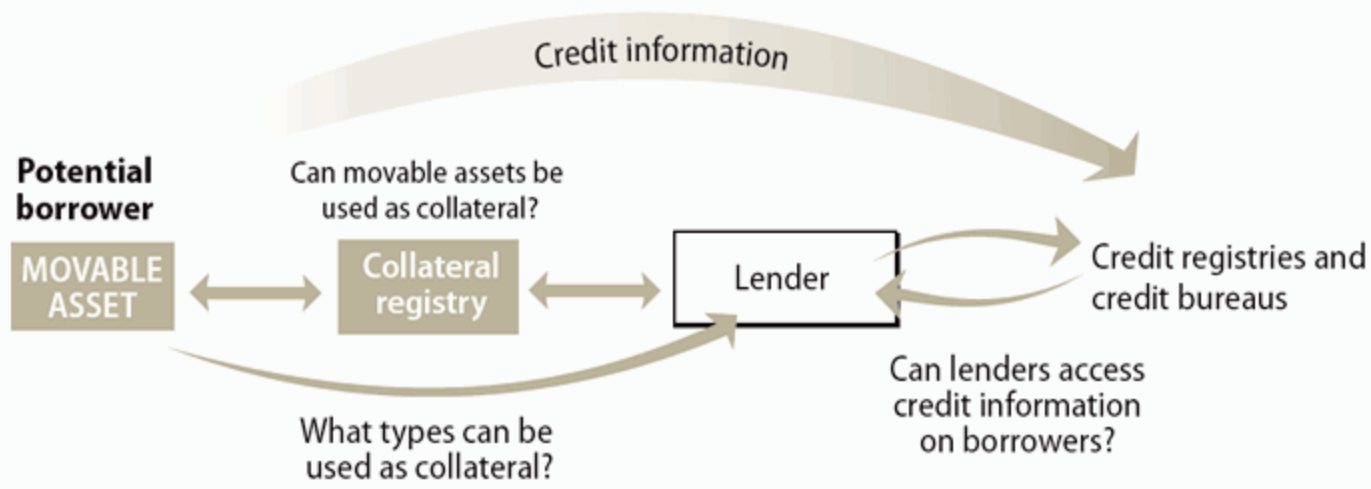
## 2. Historical data: Getting Credit in Netherlands

Getting Credit data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	44	46
Strength of legal rights index (0-10)	6	6	6	6
Depth of credit information index (0-6)	5	5	5	5
Private bureau coverage (% of adults)	78.1	81.0	83.5	100.0
Public registry coverage (% of adults)	0.0	0.0	0.0	0.0

3. The following graphs illustrate the Getting Credit sub indicators in Netherlands over the past 4 years:



**Do lenders have credit information on entrepreneurs seeking credit?  
Is the law favorable to borrowers and lenders using movable assets as collateral?**



The following table summarize legal rights of borrowers and lenders, and the availability and legal framework of credit registries in the Netherlands.

Getting Credit Indicators (2010)			Indicator
<b>Private bureau coverage (% of adults)</b>	<b>Private credit bureau</b>	<b>Public credit registry</b>	<b>5</b>
Are data on both firms and individuals distributed?	Yes	No	1
Are both positive and negative data distributed?	Yes	No	1
Does the registry distribute credit information from retailers, trade creditors or utility companies as well as financial institutions?	Yes	No	1
Are more than 2 years of historical credit information distributed?	Yes	No	1
Is data on all loans below 1% of income per capita distributed?	No	No	0
Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?	Yes	No	1
<b>Coverage</b>	100.0	0.0	
Number of individuals		..	0
Number of firms		..	0



Can any business use movable assets as collateral while keeping possession of the assets; and any financial institution accept such assets as collateral ?	Yes
Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral?	Yes
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?	No
May a security right extend to future or after-acquired assets, and may it extend automatically to the products, proceeds or replacements of the original assets ?	No
Is a general description of debts and obligations permitted in collateral agreements, so that all types of obligations and debts can be secured by stating a maximum amount rather than a specific amount between the parties ?	Yes
Is a collateral registry in operation, that is unified geographically and by asset type, as well as indexed by the grantor's name of a security right ?	No
Do secured creditors have absolute priority to their collateral outside bankruptcy procedures?	Yes
Do secured creditors have absolute priority to their collateral in bankruptcy procedures?	Yes
During reorganization, are secured creditors' claims exempt from an automatic stay on enforcement?	Yes
Does the law authorize parties to agree on out of court enforcement?	No

Stronger investor protections matter for the ability of companies to raise the capital needed to grow, innovate, diversify and compete. This is all the more crucial in times of financial crisis when entrepreneurs must navigate through defiant environments to finance their activities. Using 3 indices of investor protection, *Doing Business* measures how economies regulate a standard case of self-dealing, use of corporate assets for personal gains. Since 2005, 51 economies have strengthened investor protections as measured by *Doing Business*.

### Some reform outcomes

*In Indonesia, an economy that consistently improved its laws regulating investor protections, the number of firms listed on the Indonesia Stock Exchange increased from 331 to 396 between 2004 and 2009. Meanwhile, market capitalization grew from 680 trillion rupiah (\$75 billion) to 1,077 trillion rupiah (\$119 billion).*

*After Thailand amended its laws in 2006 and 2008, more than 85 transactions that failed to comply with the disclosure standards were suspended. Thirteen were deemed prejudicial and were therefore canceled, thus preventing damage to the companies involved and preserving their value. Companies were not deterred either, as more than 30 new companies joined the stock exchange since 2005 bringing the number of listed companies to 523.*

### What do the Protecting Investors indicators measure?

#### Extent of disclosure index (0–10)

- Who can approve related-party transactions
- Requirements for external and internal disclosure in case of related-party transactions

#### Extent of director liability index (0–10)

- Ability of shareholders to hold the interested party and the approving body liable in case of a prejudicial related-party transaction
- Available legal remedies (damages, repayment of profits, fines, imprisonment and rescission of the transaction)
- Ability of shareholders to sue directly or derivatively

#### Ease of shareholder suits index (0–10)

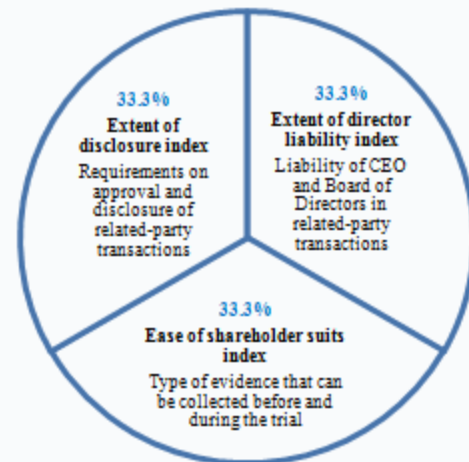
- Documents and information available during trial
- Access to internal corporate documents (directly or through a government inspector)

#### Strength of investor protection index (0–10)

- Simple average of the extent of disclosure, extent of director liability and ease of shareholder suits indices

**Protecting Investors:** minority shareholder rights in related-party transactions

Rankings are based on 3 subindicators



### Case Study Assumptions

#### The business (Buyer):

- Is a publicly traded corporation listed on the economy's most important stock exchange (or at least a large private company with multiple shareholders).
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.

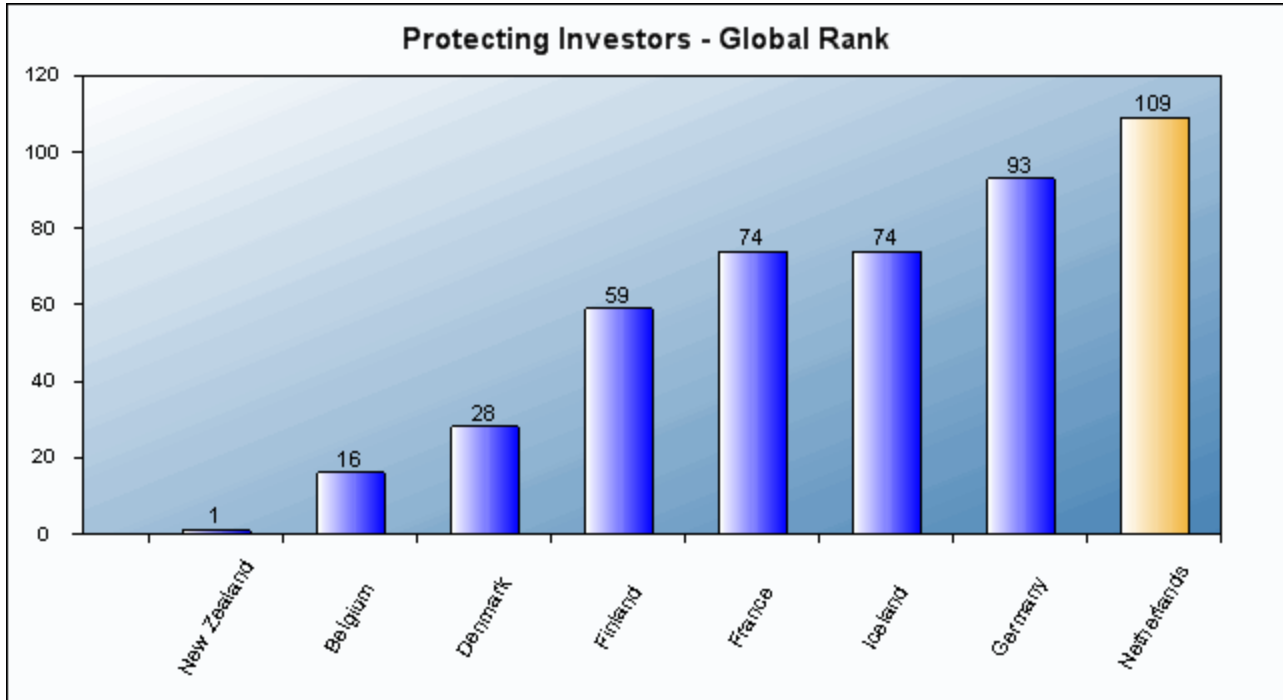
#### The transaction

- Mr. James, a director and the majority shareholder of the company, proposes that the company purchase used trucks from another company he owns.
- The price is higher than the going price for used trucks, but the transaction goes forward.
- All required approvals are obtained, and all required disclosures made, though the transaction is prejudicial to the purchasing company.
- Shareholders sue the interested parties and the members of the board of directors.

## 1. Benchmarking Protecting Investors Regulations:

Netherlands is ranked 109 overall for Protecting Investors.

Ranking of Netherlands in Protecting Investors - Compared to good practice and selected economies:



The following table shows Protecting Investors data for Netherlands compared to good practice and comparator economies:

<b>Good Practice Economies</b>	<b>Strength of investor protection index (0-10)</b>
<b>New Zealand</b>	9.7

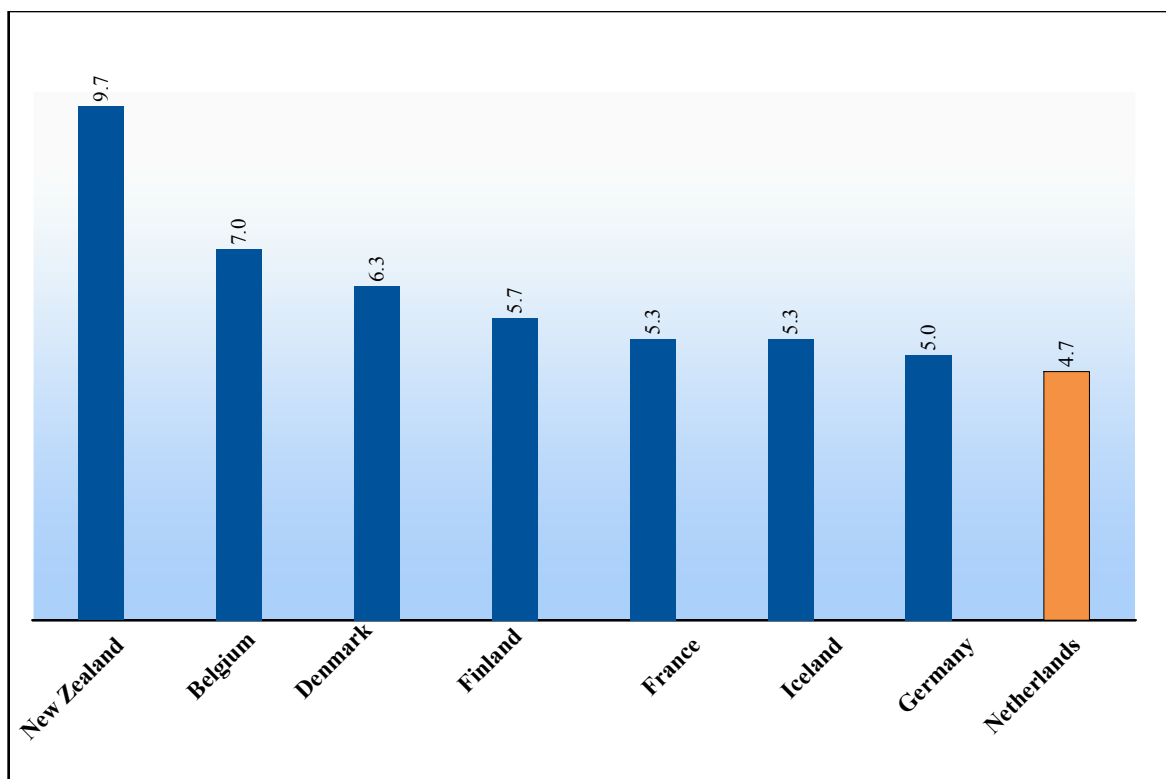
<i>Selected Economy</i>	
<b>Netherlands</b>	<b>4.7</b>

<i>Comparator Economies</i>	
<b>Belgium</b>	7.0
<b>Denmark</b>	6.3
<b>Finland</b>	5.7
<b>France</b>	5.3
<b>Germany</b>	5.0
<b>Iceland</b>	5.3

## 2. Historical data: Protecting Investors in Netherlands

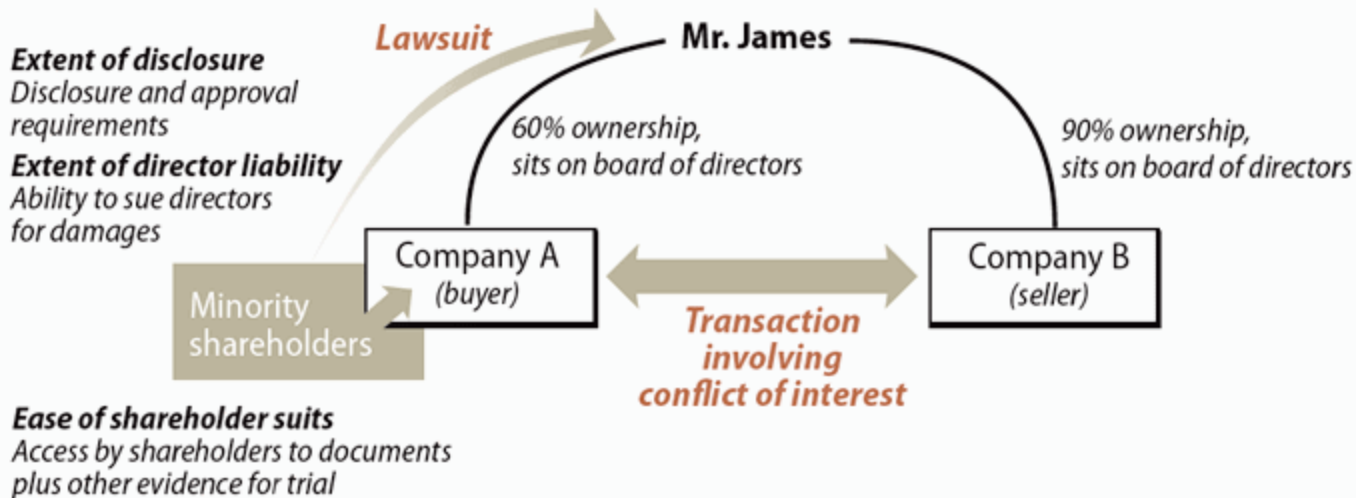
Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	108	109
Strength of investor protection index (0-10)	4.7	4.7	4.7	4.7

3. The following graph illustrates the Protecting Investors index in Netherlands compared to best practice and selected Economies:



Note: The higher the score, the greater the investor protection.

## How well are minority shareholders protected against self-dealing in related-party transactions?



The table below provides a full breakdown of how the disclosure, director liability, and shareholder suits indexes are calculated in the Netherlands.

Protecting Investors Data (2010)	Indicator
<b>Extent of disclosure index (0-10)</b>	<b>4</b>
What corporate body provides legally sufficient approval for the transaction?	2
Whether immediate disclosure of the transaction to the public and/or shareholders is required?	1
Whether disclosure of the transaction in published periodic filings (annual reports) is required?	1
Whether disclosure of the conflict of interest by Mr. James to the board of directors is required?	0
Whether an external body must review the terms of the transaction before it takes place?	0
<b>Extent of director liability index (0-10)</b>	<b>4</b>
Whether shareholders can hold Mr. James liable for the damage that the Buyer-Seller transaction causes to the company?	0
Whether shareholders can hold the approving body (the CEO or board of directors) liable for the damage that the Buyer-Seller transaction causes to the company?	1
Whether a court can void the transaction upon a successful claim by a shareholder plaintiff?	1
Whether Mr. James pays damages for the harm caused to the company upon a successful claim by the shareholder plaintiff?	1

Whether Mr. James repays profits made from the transaction upon a successful claim by the shareholder plaintiff?	1
Whether fines and imprisonment can be applied against Mr. James?	0
Whether shareholders can sue directly or derivatively for the damage that the Buyer-Seller transaction causes to the company?	0
<b>Ease of shareholder suits index (0-10)</b>	<b>6</b>
Whether the plaintiff can obtain any documents from the defendant and witnesses during trial?	4
Whether the plaintiff can directly question the defendant and witnesses during trial?	1
Whether the plaintiff can request categories of documents from the defendant without identifying specific ones?	0
Whether shareholders owning 10% or less of Buyer's shares can request an inspector to investigate the transaction?	1
Whether the level of proof required for civil suits is lower than that of criminal cases?	0
Whether shareholders owning 10% or less of Buyer's shares can inspect transaction documents before filing suit?	0
<b>Strength of investor protection index (0-10)</b>	<b>4.7</b>

Taxes are essential to provide public amenities, infrastructure and services which are crucial for a properly functioning economy. *Doing Business* data show that economies where it is more difficult and costly to pay taxes have larger shares of informal sector activity. More than 60% of economies have reformed in the last 6 years and are starting to see concrete results.

### Some reform outcomes

*Colombia introduced a new electronic system for social security and labor taxes in 2006 and by 2008 the social security contributions collected from small and medium-size companies rose by 42%, to 550 billion pesos.*

*Mauritius reduced the corporate income tax rate from 25% to 15% and removed exemptions and industry-specific allowances in 2006 and saw their corporate income tax revenue grow by 27% in the following year, and in 2008/09 it increased by 65%.*

### What do the Paying taxes indicators measure?

**Tax payments for a manufacturing company in 2009**  
(number per year adjusted for electronic or joint filing and payment)

- Total number of taxes and contributions paid, including consumption taxes (value added tax, sales tax or goods and service tax)
- Method and frequency of filing and payment

**Time required to comply with 3 major taxes** (hours per year)

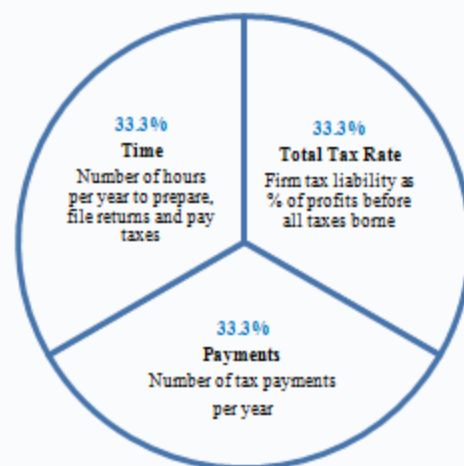
- Collecting information and computing the tax payable
- Completing tax return forms, filing with proper agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

**Total tax rate** (% of profit)

- Profit or corporate income tax
- Mandatory social contributions and labor taxes paid by the employer
- Property and property transfer taxes
- Dividend, capital gains and financial transactions taxes
- Waste collection, vehicle, road and other taxes

**Paying Taxes:** tax compliance for a local manufacturing company

Rankings are based on 3 subindicators



### Case Study Assumptions

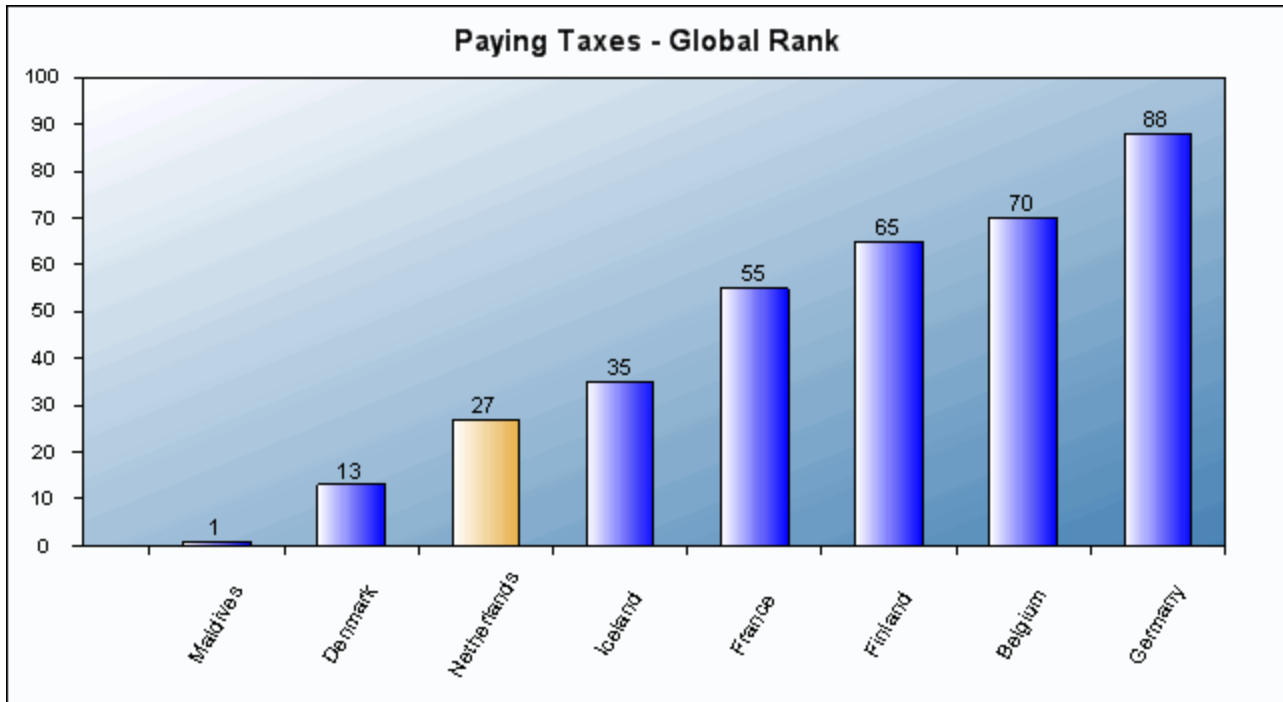
- TaxpayerCo is a medium-size business that started operations 2 years ago.
- Tax practitioners are asked to review its financial statements, as well as a standard list of transactions that the company completed during the year.
- Respondents are asked how much in taxes and mandatory contributions the business must pay and what the process is for doing so.
- The business starts from the same financial position in each economy. All the taxes and mandatory contributions paid during the second year of operation are recorded.
- Taxes and mandatory contributions are measured at all levels of government
- Taxes and mandatory contributions include corporate income tax, turnover tax, all labor taxes and contributions paid by the company.
- A range of standard deductions and exemptions are also recorded.



## 1. Benchmarking Paying Taxes Regulations:

Netherlands is ranked 27 overall for Paying Taxes.

Ranking of Netherlands in Paying Taxes - Compared to good practice and selected economies:



The following table shows Paying Taxes data for Netherlands compared to good practice and comparator economies:

<b>Good Practice Economies</b>	<b>Payments (number per year)</b>	<b>Time (hours per year)</b>	<b>Total tax rate (% profit)</b>
<b>Maldives*</b>	3	0	
<b>Timor-Leste</b>			0.2

<i>Selected Economy</i>			
<b>Netherlands</b>	<b>9</b>	<b>134</b>	<b>40.5</b>

<i>Comparator Economies</i>			
<b>Belgium</b>	11	156	57.0
<b>Denmark</b>	9	135	29.2
<b>Finland</b>	8	243	44.6
<b>France</b>	7	132	65.8
<b>Germany</b>	16	215	48.2
<b>Iceland</b>	31	140	26.8

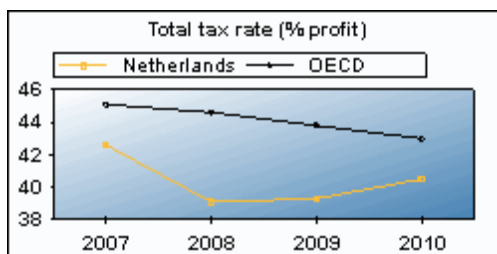
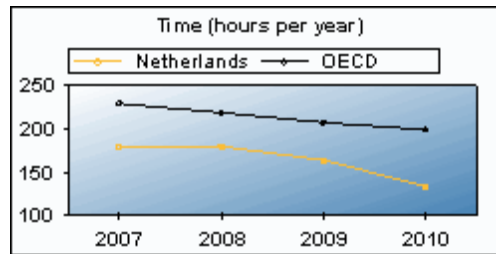
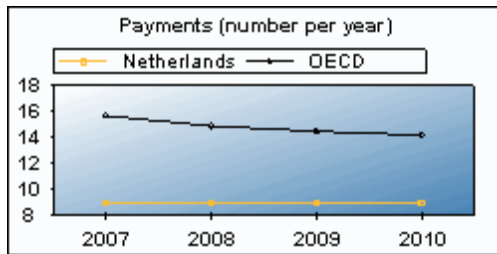
\* The following economies are also good practice economies for :

**Payments (number per year): Qatar**

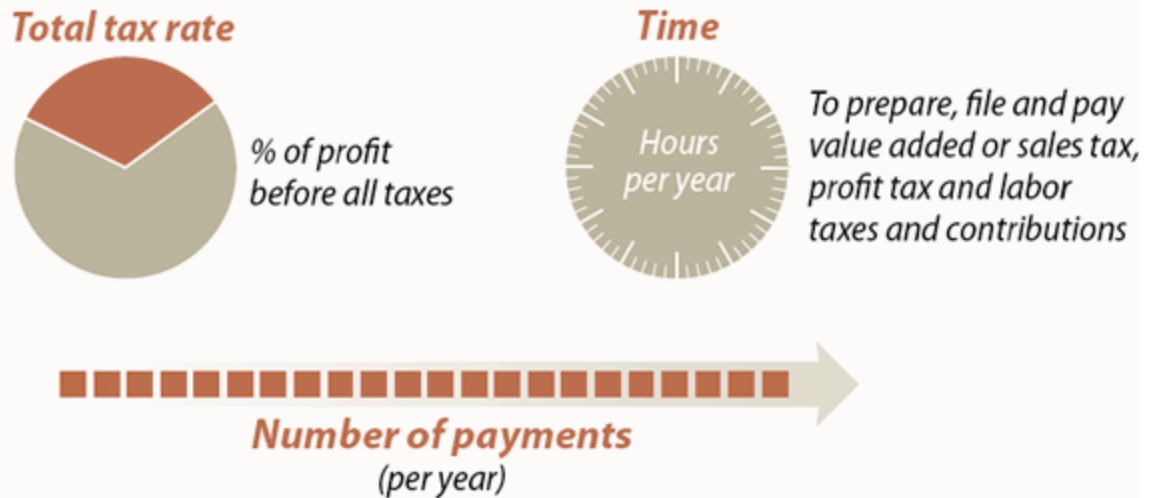
## 2. Historical data: Paying Taxes in Netherlands

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	33	27
Total tax rate (% profit)	42.6	39.1	39.3	40.5
Payments (number per year)	9	9	9	9
Time (hours per year)	180	180	164	134

## 3. The following graphs illustrate the Paying Taxes sub indicators in Netherlands over the past 4 years:



## What are the time, total tax rate and number of payments necessary for a local medium-sized company to pay all taxes?



The table below addresses the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year in Netherlands, as well as measures of administrative burden in paying taxes.

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax rate (% profit)	Notes on TTR
Value added tax (VAT)	1	online filing	38	19.0%	value added		
Road tax	1			various rates	vehicle weight	0.00	
Polder Board Taxes	1			€ 1.2334 per € 1,000 tax base	assessed property value	0.00	
Sewage charges	1			fixed fee (EUR 139)		0.00	
Real estate tax	1			€ 1.5947 per € 1,000 tax base	assessed property value	0.10	
Tax on insurance contracts	1			7.0%	insurance premium	0.10	

Special unemployment insurance contribution	0	paid jointly		1.4%	wages for contribution for Unemployment Insurance Act (maximized)	1.50
Fuel tax	1			19% VAT and 0.4185 Excise duty per liter Diesel	fuel consumption	1.50
Unemployment insurance contribution	0	paid jointly		4.2%	wages for contribution for Unemployment Insurance Act (maximized) - Exemption	2.10
Health insurance contribution	1	online filing	64	6.9%	income for Health Insurance Act (maximized)	7.10
Disablement act contribution	0	paid jointly		6.6%	wages for contribution for Disability Insurance Act (maximized)	7.10
Corporate income tax	1	online filing	32	25.5% ( € 0 - 200,000 20%)	taxable profit	20.90
<b>Totals</b>	<b>9</b>		<b>134</b>			<b>40.5</b>

Making trade between countries easier is increasingly important for business in today's globalized world. Excessive document requirements, burdensome customs procedures, inefficient port operations and inadequate infrastructure all lead to extra costs and delays for exporters and importers, stifling trade potential. Trade facilitation tools such as electronic data interchange systems, risk-based inspections, and single windows help improve an economy's trading environment and boost firms' international competitiveness. *Doing Business* trade indicators take into account documents, cost and time associated with every procedure for trading a standard shipment of goods by ocean transport. Research indicates that exporters in developing countries have much more to gain by a 10% drop in their trading costs than from a similar decrease of the tariffs applied to their products in global markets.

#### Some reform outcomes

*In Georgia, reducing customs clearance time by a day has led to operational savings of an estimated \$288 per truck, or an annual \$133 million for the country's whole trading community given the growing amount of cross-border trade in recent years.*

*In Korea, predictable cargo processing times and rapid turnover by ports and warehouses provide a benefit to the Korean economy of some \$2 billion annually.*

#### What do the Trading Across Borders indicators measure?

**Trading Across Borders:** exporting and importing by ocean transport

Rankings are based on 3 subindicators

#### Documents required to export and import (number)

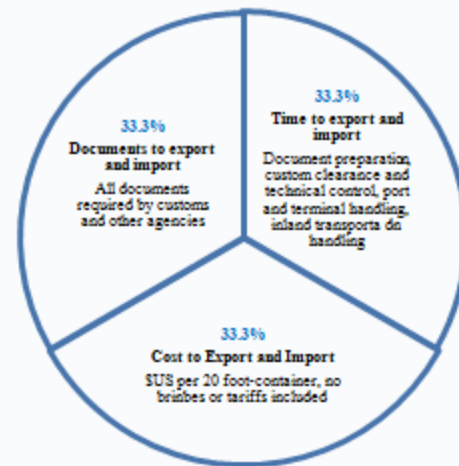
- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

#### Time required to export and import (days)

- Obtaining all the documents
- Inland transport and handling
- Customs clearance and inspections
- Port and terminal handling
- Does not include ocean transport time

#### Cost required to export and import (US\$ per container)

- All documentation
- Inland transport and handling
- Customs clearance and inspections
- Port and terminal handling
- Official costs only, no bribes



#### Case Study Assumptions

##### The Business

- Has at least 60 employees and is located in the economy's largest business city
- Is a private, limited liability company, which exports more than 10% of its sales. It is fully domestically owned and does not operate in an export processing zone or an industrial estate with special export or import privileges

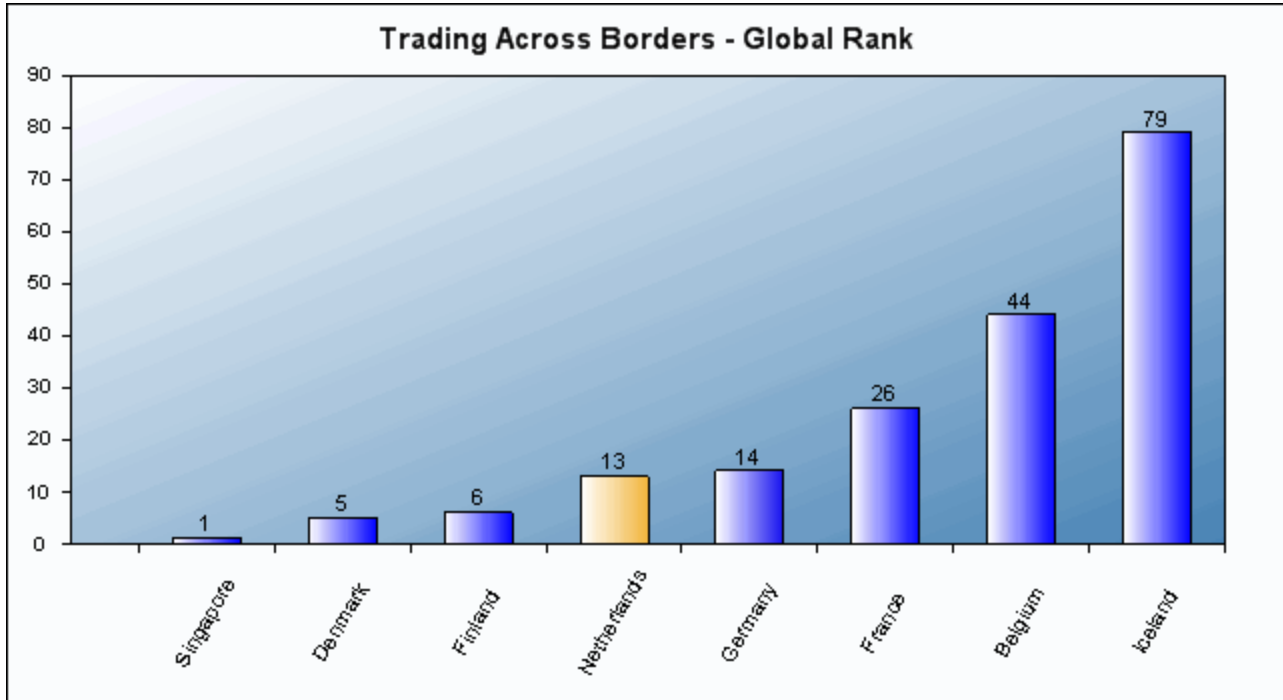
##### The traded product

- Is transported in a dry-cargo, 20-foot full container load; weighs 10 tons and is valued at \$20,000
- Is not hazardous or include military items; it does not require special phytosanitary or environmental safety standards, refrigeration or any other special environment
- Is one of the economy's leading export or import products

## 1. Benchmarking Trading Across Borders Regulations:

Netherlands is ranked 13 overall for Trading Across Borders.

Ranking of Netherlands in Trading Across Borders - Compared to good practice and selected economies:



The following table shows Trading Across Borders data for Netherlands compared to good practice and comparator economies:

<b>Good Practice Economies</b>	<b>Documents to export (number)</b>	<b>Time to export (days)</b>	<b>Cost to export (US\$ per container)</b>	<b>Documents to import (number)</b>	<b>Time to import (days)</b>	<b>Cost to import (US\$ per container)</b>
<b>Denmark*</b>		5				
<b>France</b>	2			2		
<b>Malaysia</b>			450			
<b>Singapore</b>					4	439

<i>Selected Economy</i>						
<b>Netherlands</b>	<b>4</b>	<b>6</b>	<b>895</b>	<b>5</b>	<b>6</b>	<b>942</b>

<i>Comparator Economies</i>						
<b>Belgium</b>	4	8	1619	5	9	1600
<b>Denmark</b>	4	5	744	3	5	744
<b>Finland</b>	4	8	540	5	8	620
<b>France</b>	2	9	1078	2	11	1248
<b>Germany</b>	4	7	872	5	7	937
<b>Iceland</b>	5	19	1532	5	14	1674

\* The following economies are also good practice economies for :

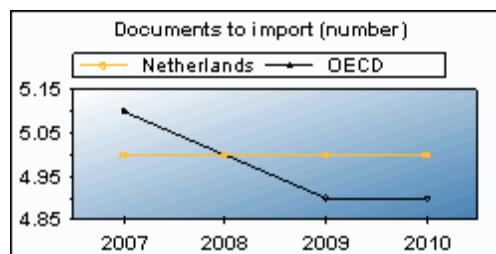
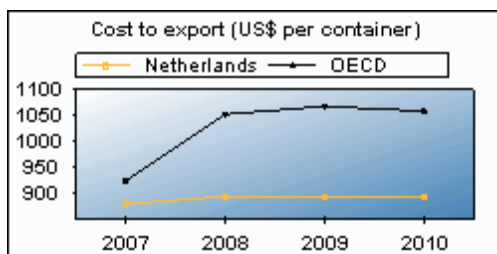
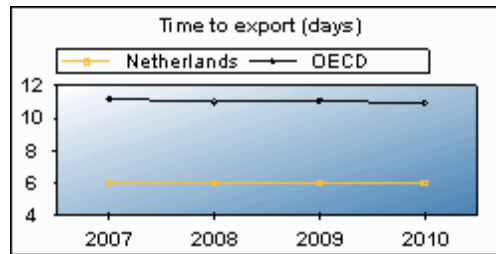
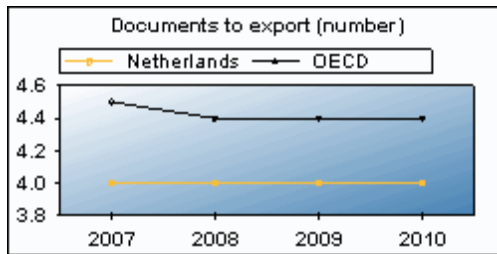
**Time to export (days): Estonia**

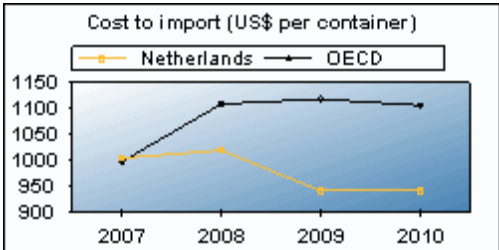
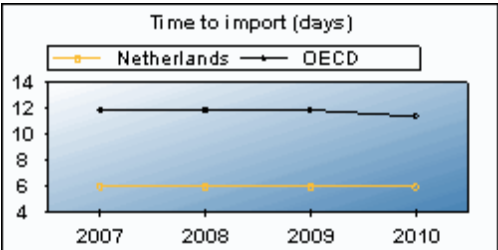


## 2. Historical data: Trading Across Borders in Netherlands

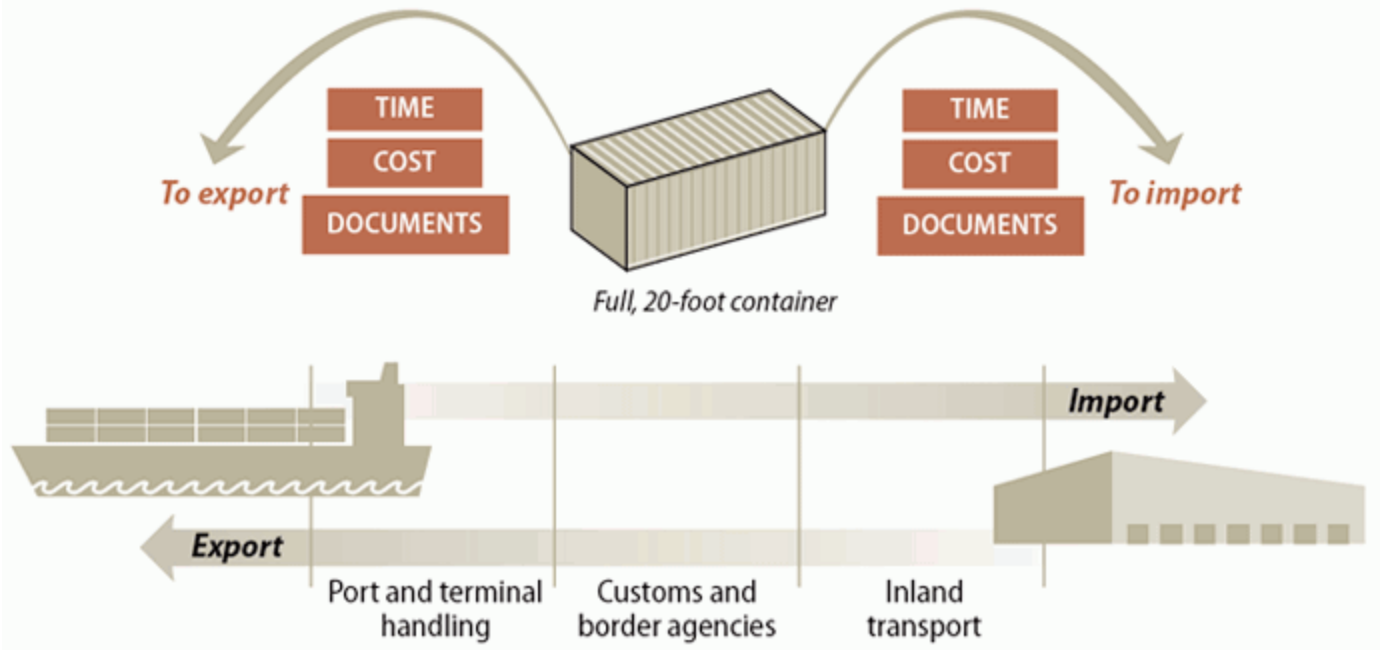
Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	13	13
Cost to export (US\$ per container)	880	895	895	895
Cost to import (US\$ per container)	1005	1020	942	942
Documents to export (number)	4	4	4	4
Documents to import (number)	5	5	5	5
Time to export (days)	6	6	6	6
Time to import (days)	6	6	6	6

3. The following graphs illustrate the Trading Across Borders sub indicators in Netherlands over the past 4 years:





### How much time, how many documents and what cost to export and import across borders by ocean transport?



These tables list the procedures necessary to import and export a standardized cargo of goods in Netherlands. The documents required to export and import the goods are also shown.

Nature of Export Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	3	130
Customs clearance and technical control	1	90
Ports and terminal handling	1	260
Inland transportation and handling	1	415
Totals	6	895

Nature of Import Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	3	222
Customs clearance and technical control	1	90
Ports and terminal handling	1	215
Inland transportation and handling	1	415
Totals	6	942

**Documents for Export and Import**

**Export**

- Bill of lading
- Commercial invoice
- Customs export declaration
- Certificate of Origin

**Import**

- Bill of lading
- Cargo release order
- Commercial invoice
- Customs import declaration
- Certificate of Origin

Well functioning courts help businesses expand their network and markets. Where contract enforcement is efficient, firms have greater access to credit and are more likely to engage with new borrowers or customers. *Doing Business* measures the efficiency of the judicial system in resolving a commercial sale dispute before local courts. Following the step-by-step evolution of a standardized case study, data relating to the time, cost and procedural complexity of resolving a commercial lawsuit are collected through study of the codes of civil procedure and other court regulations, as well as through surveys completed by local litigation lawyers (and, in a quarter of the countries, by judges as well).

#### Some reform outcomes

*In Rwanda the implementation of specialized commercial courts in May 2008 resulted in a significant decrease of the case backlog, and contributed to reduce the time to resolve a commercial dispute by nearly 3 months.*

*In Austria a "data highway" for the courts that allows attachments to be sent electronically has produced savings of €4.4 million in postage alone.*

#### What do the Enforcing Contracts indicators measure?

##### Procedures to enforce a contract (number)

- Any interaction between the parties in a commercial dispute, or between them and the judge or court officer
- Steps to file the case
- Steps for trial and judgment
- Steps to enforce the judgment

##### Time required to complete procedures (calendar days)

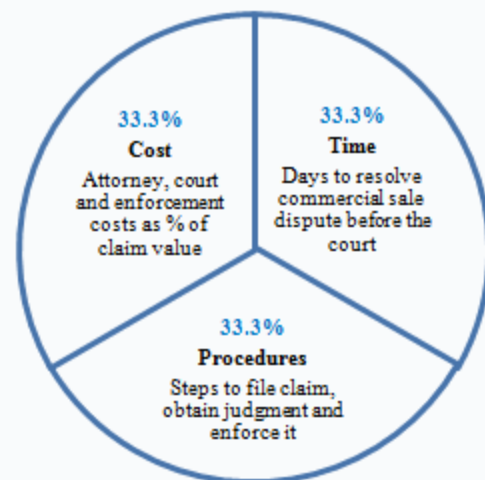
- Time to file and serve the case
- Time for trial and obtaining judgment
- Time to enforce the judgment

##### Cost required to complete procedures (% of claim)

- No bribes
- Average attorney fees
- Court costs, including expert fees
- Enforcement costs

**Enforcing Contracts:** resolving a commercial dispute through the courts

Rankings are based on 3 subindicators



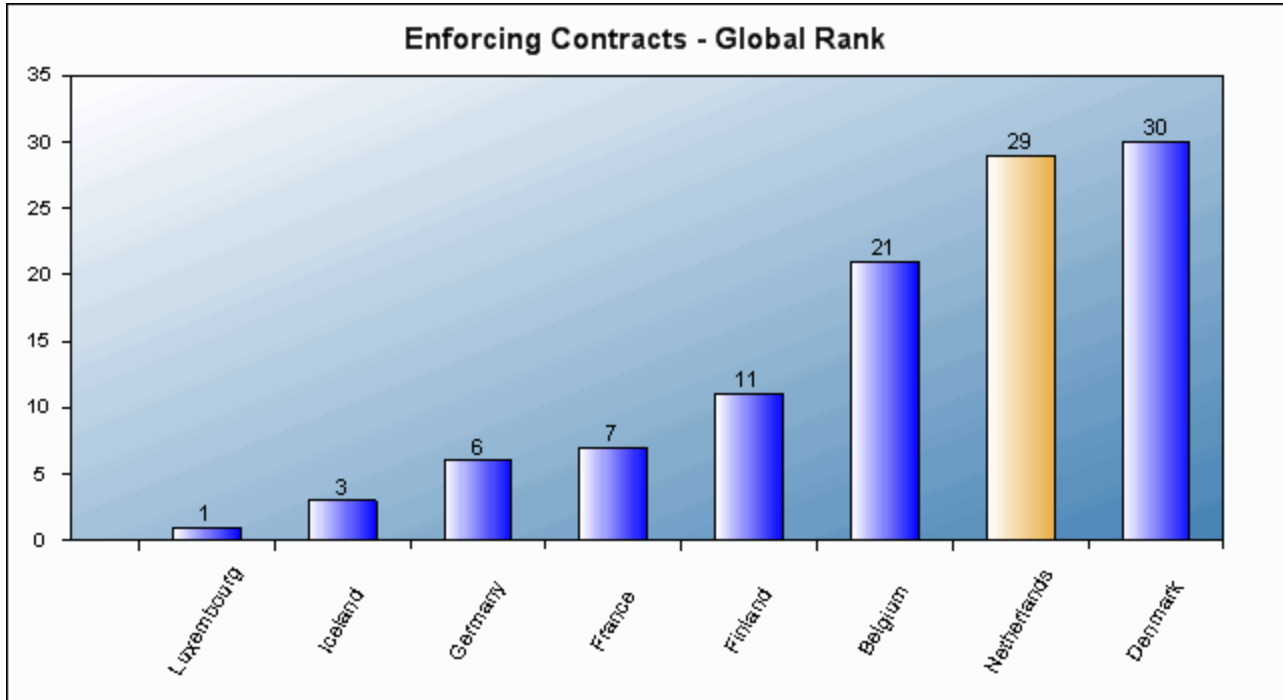
#### Case Study Assumptions

- Seller and Buyer are domestic companies
- Buyer orders custom-made goods, then does not pay
- Seller sues Buyer before competent court
- Value of claim is 200% of GNI per capita
- Seller requests pre-trial attachment to secure claim
- Dispute on quality of the goods requires expert opinion
- Judge decides in favor of Seller, no appeal
- Seller enforces judgment through a public sale of Buyer's movable assets.

## 1. Benchmarking Enforcing Contracts Regulations:

Netherlands is ranked 29 overall for Enforcing Contracts.

Ranking of Netherlands in Enforcing Contracts - Compared to good practice and selected economies:



The following table shows Enforcing Contracts data for Netherlands compared to good practice and comparator economies:

<b>Good Practice Economies</b>	<b>Procedures (number)</b>	<b>Time (days)</b>	<b>Cost (% of claim)</b>
<b>Bhutan</b>			0.1
<b>Ireland</b>	20		
<b>Singapore</b>		150	

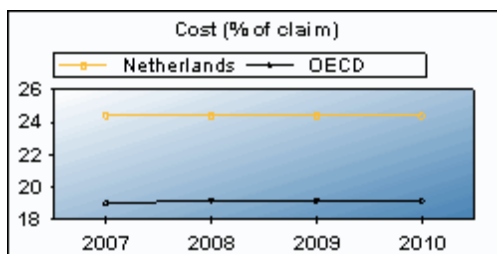
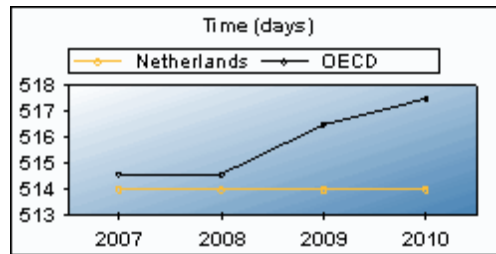
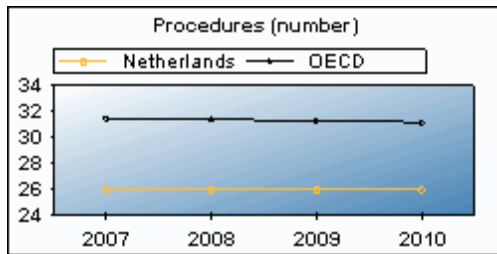
<i>Selected Economy</i>			
<b>Netherlands</b>	<b>26</b>	<b>514</b>	<b>24.4</b>

<i>Comparator Economies</i>			
<b>Belgium</b>	26	505	16.6
<b>Denmark</b>	35	410	23.3
<b>Finland</b>	32	375	13.3
<b>France</b>	29	331	17.4
<b>Germany</b>	30	394	14.4
<b>Iceland</b>	27	417	8.2

## 2. Historical data: Enforcing Contracts in Netherlands

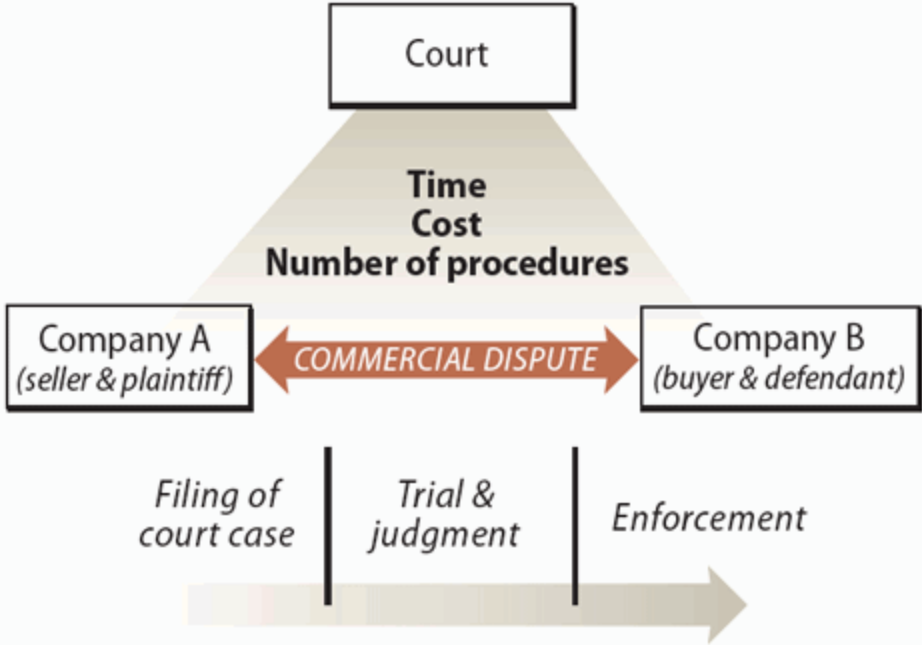
Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	30	29
Procedures (number)	26	26	26	26
Time (days)	514	514	514	514
Cost (% of claim)	24.4	24.4	24.4	24.4

3. The following graphs illustrate the Enforcing Contracts sub indicators in Netherlands over the past 4 years:





**What are the time, cost and number of procedures to resolve a commercial dispute through the courts?**



This topic looks at the efficiency of contract enforcement in Netherlands.

Nature of Procedure (2010)	Indicator
Procedures (number)	26
Time (days)	514
Filing and service	10.0
Trial and judgment	442.0
Enforcement of judgment	62.0
<b>Cost (% of claim)*</b>	<b>24.40</b>
Attorney cost (% of claim)	13.7
Court cost (% of claim)	5.5
Enforcement Cost (% of claim)	5.2

**Court information:** Amsterdam District Court ("Rechtbank, sector civiel")

\* Claim assumed to be equivalent to 200% of income per capita.

A robust bankruptcy system functions as a filter, ensuring the survival of economically efficient companies and reallocating the resources of inefficient ones. Fast and cheap insolvency proceedings result in businesses' speedy return to normal operation and increase returns to creditors. By improving the expectations of creditors and debtors about the outcome of insolvency proceedings, well-functioning insolvency systems can facilitate access to finance, save more viable businesses, and thereby improve growth and sustainability in the economy overall.

### Some reform outcomes

*A study of the 2005 bankruptcy reform in Brazil found that it had led to an average reduction of 22% in the cost of credit for Brazilian companies, a 39% increase in overall credit and a 79% increase in long-term credit in the economy. The purpose of the reform was to improve creditor protection in insolvency proceedings.*

*Following the introduction of debtor-in-possession reorganizations in Korea in 2006, the number of reorganization filings increased from 76 in 2006 to 670 in 2009.*

### What does the Closing a Business indicator measure?

**Closing a Business:** insolvency proceedings against local company

#### Time required to recover debt (years)

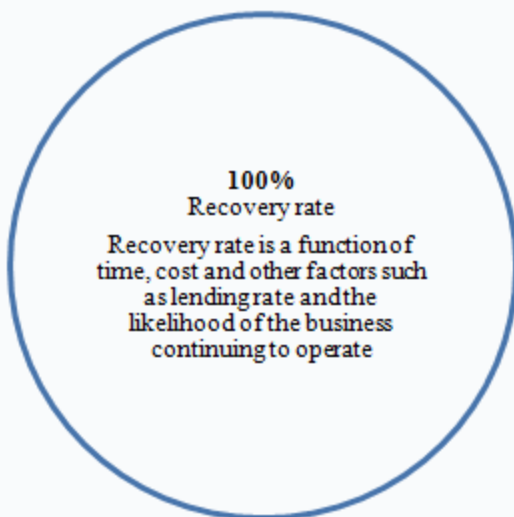
- Measured in calendar years
- Appeals and requests for extension are included

#### Cost required to recover debt (% of debtor's estate value)

- Measured as percentage of estate value
- Court fees
- Fees of insolvency administrators
- Lawyers' fees
- Assessors' and auctioneers' fees
- All other fees and costs

#### Recovery rate for creditors (cents on the dollar)

- Measures the cents on the dollar recovered by creditors
- Present value of debt recovered
- Costs of the insolvency proceedings are deducted
- Depreciation of furniture is taken into account
- Outcome for the business (survival or not) affects the maximum value that can be recovered



### *Case Study Assumptions*

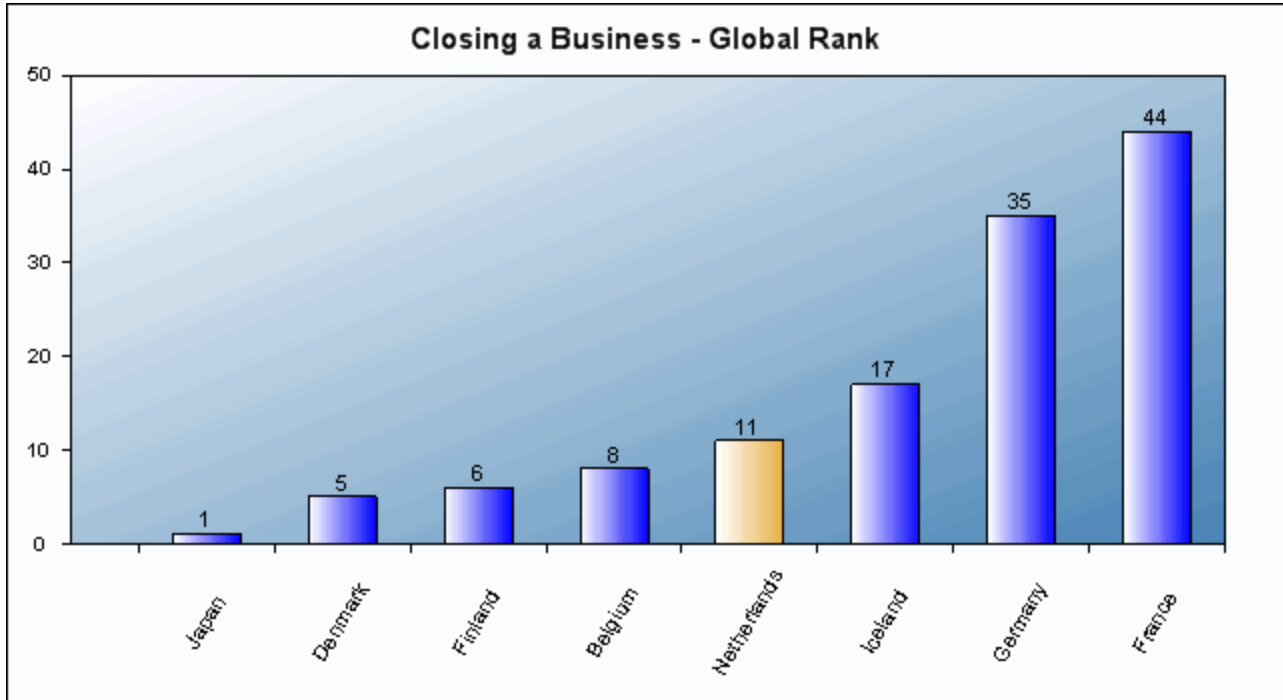
#### The Company

- is domestically owned
- is a limited liability company operating a hotel
- operates in the economy's largest business city
- has 201 employees, 1 secured creditor and 50 unsecured creditors
- has a higher value as a going concern and a lower value in a piecemeal sale of assets

## 1. Benchmarking Closing Business Regulations:

Netherlands is ranked 11 overall for Closing a Business.

Ranking of Netherlands in Closing Business - Compared to good practice and selected economies:



The following table shows Closing Business data for Netherlands compared to good practice and comparator economies:

<b>Good Practice Economies</b>	<b>Recovery rate (cents on the dollar)</b>	<b>Time (years)</b>	<b>Cost (% of estate)</b>
<b>Ireland</b>		0.4	
<b>Japan</b>	92.7		
<b>Singapore*</b>			1

<i>Selected Economy</i>			
<b>Netherlands</b>	<b>81.9</b>	<b>1.1</b>	<b>4</b>

<i>Comparator Economies</i>			
<b>Belgium</b>	87.6	0.9	4
<b>Denmark</b>	89.4	1.1	4
<b>Finland</b>	89.4	0.9	4
<b>France</b>	45.2	1.9	9
<b>Germany</b>	53.1	1.2	8
<b>Iceland</b>	78.5	1.0	4

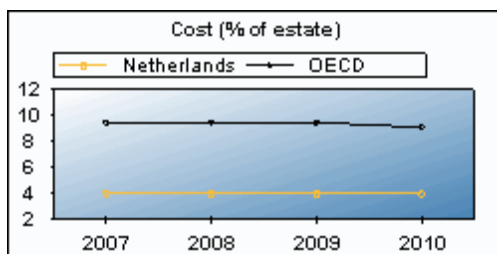
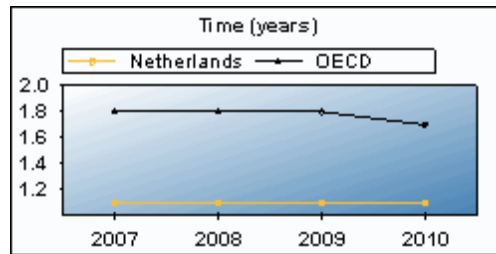
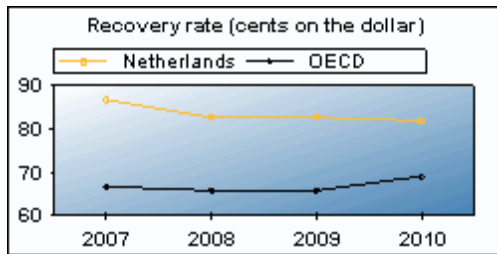
\* The following economies are also good practice economies for :

**Cost (% of estate): Colombia, Kuwait, Norway**

## 2. Historical data: Closing Business in Netherlands

Closing a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	10	11
Time (years)	1.1	1.1	1.1	1.1
Cost (% of estate)	4	4	4	4
Recovery rate (cents on the dollar)	86.7	82.7	82.7	81.9

3. The following graphs illustrate the Closing Business sub indicators in Netherlands over the past 4 years:



Since 2004 Doing Business has been tracking reforms aimed at simplifying business regulations, strengthening property rights, opening access to credit and enforcing contracts by measuring their impact on 10 indicator sets . \* Nearly 1,000 reforms have had an impact on these indicators. *Doing Business 2011*, covering June 2009 to June 2010, reports that 117 economies implemented 216 reforms to make it easier to start a business. 64% of economies measured by Doing Business have reformed this year, focusing on easing business start-up, lightening the tax burden, simplifying import and export regulations and improving credit information systems.

## The top 10 most-improved in Doing Business 2011

Economy	Indicator									
	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business	Employing Workers
Kazakhstan	✓	✓				✓	✓			
Rwanda		✓		✓			✓			
Peru	✓	✓	✓				✓			
Vietnam	✓	✓		✓						
Cape Verde	✓		✓				✓			
Tajikistan	✓				✓		✓			
Zambia	✓						✓	✓		
Hungary		✓	✓				✓			✓
Grenada	✓		✓				✓			
Brunei Darussalam	✓						✓	✓		

 Positive Change  
 Negative Change

\* For *Doing Business 2011* the Employing Workers indicator is not included in the aggregate ease of doing business ranking.

## **Summary of changes to business regulation in top 10 most improved economies in *Doing Business 2011* and selected comparator economies.**

<b>Belgium</b>	Belgium's capital city, Brussels, made it more difficult to transfer property by requiring a clean-soil certificate. Belgium introduced a new law that will promote and facilitate the survival of viable businesses experiencing financial difficulties.
<b>Brunei Darussalam</b>	Brunei Darussalam made starting a business easier by improving efficiency at the company registrar and implementing an electronic system for name searches. Brunei Darussalam reduced the corporate income tax rate from 23.5% to 22% while also introducing a lower tax rate for small businesses, ranging from 5.5% to 11%. The introduction of an electronic customs system in Brunei Darussalam made trading easier.
<b>Cape Verde</b>	Cape Verde made start-up easier by eliminating the need for a municipal inspection before a business begins operations and computerizing the system for delivering the municipal license. Cape Verde eased property registration by switching from fees based on a percentage of the property value to lower fixed rates. Cape Verde abolished the stamp duties on sales and checks.
<b>Denmark</b>	Denmark eased business start-up by reducing the minimum capital requirement for limited liability companies from 125,000 Danish kroner (\$22,850) to 80,000 Danish kroner (\$14,620). Computerization of Denmark's land registry cut the number of procedures required to register property by half.
<b>Germany</b>	Germany eased business start-up by increasing the efficiency of communications between the notary and the commercial registry and eliminating the need to publish an announcement in a newspaper.
<b>Grenada</b>	Grenada eased business start-up by transferring responsibility for the commercial registry from the courts to the civil administration. The appointment of a registrar focusing only on property cut the time needed to transfer property in Grenada by almost half. Grenada's customs administration made trading faster by simplifying procedures, reducing inspections, improving staff training and enhancing communication with users.
<b>Hungary</b>	Hungary implemented a time limit for the issuance of building permits. Hungary reduced the property registration fee by 6% of the property value. Hungary simplified taxes and tax bases. Amendments to Hungary's bankruptcy law encourage insolvent companies to consider reaching agreements with creditors out of court so as to avoid bankruptcy.
<b>Iceland</b>	Iceland made dealing with construction permits more costly by increasing the fees to obtain the design approval and receive inspections. Iceland increased the corporate income tax rate from 15% to 18% and raised social security and pension contribution rates.
<b>Kazakhstan</b>	Kazakhstan eased business start-up by reducing the minimum capital requirement to 100 tenge (\$0.70) and eliminating the need to have the memorandum of association and company charter notarized. Kazakhstan made dealing with construction permits easier by implementing a one-stop shop related to technical conditions for utilities. Kazakhstan strengthened investor protections by requiring greater corporate disclosure in company annual reports. Kazakhstan speeded up trade through efforts to modernize customs, including implementation of a risk management system and improvements in customs automation.
<b>Netherlands</b>	The Netherlands reduced the frequency of filing and paying value added taxes from monthly to quarterly and allowed small entities to use their annual accounts as the basis for computing their corporate income tax.
<b>Peru</b>	Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration. Peru streamlined construction permitting by implementing administrative reforms. Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property. Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.



<b>Rwanda</b>	Rwanda made dealing with construction permits easier by passing new building regulations at the end of April 2010 and implementing new time limits for the issuance of various permits. Rwanda enhanced access to credit by allowing borrowers the right to inspect their own credit report and mandating that loans of all sizes be reported to the central bank's public credit registry. Rwanda reduced the number of trade documents required and enhanced its joint border management procedures with Uganda and other neighbors, leading to an improvement in the trade logistics environment.
<b>Tajikistan</b>	Tajikistan made starting a business easier by creating a one-stop shop that consolidates registration with the state and the tax authority. Tajikistan strengthened investor protections by requiring greater corporate disclosure in the annual report and greater access to corporate information for minority investors. Tajikistan lowered its corporate income tax rate.
<b>Vietnam</b>	Vietnam eased company start-up by creating a one-stop shop that combines the processes for obtaining a business license and tax license and by eliminating the need for a seal for company licensing. Vietnam made dealing with construction permits easier by reducing the cost to register newly completed buildings by 50% and transferring the authority to register buildings from local authorities to the Department of National Resources and Environment. Vietnam improved its credit information system by allowing borrowers to examine their own credit report and correct errors.
<b>Zambia</b>	Zambia eased business start-up by eliminating the minimum capital requirement. Zambia eased trade by implementing a one-stop border post with Zimbabwe, launching web-based submission of customs declarations and introducing scanning machines at border posts. Zambia improved contract enforcement by introducing an electronic case management system in the courts that provides electronic referencing of cases, a database of laws, real-time court reporting and public access to court records.



[WWW.DOINGBUSINESS.ORG](http://WWW.DOINGBUSINESS.ORG)